

The Three Component Waves of the Business Cycle

LIBRARY

JUN 14 1940

FEDERAL RESERVE BANK
OF NEW YORK

The ANNALIST

A Journal of Finance, Commerce and Economics

PUBLISHED WEEKLY BY THE NEW YORK TIMES COMPANY

Copyright, 1940, by The New York Times Company.

Vol. 55, No. 1430

New York, Thursday, June 13, 1940

Twenty Cents

CONNECTICUT SECURITIES

For markets in Connecticut securities see page 848

PUTNAM & CO.

Members New York Stock Exchange
6 Central Row, Hartford, Conn.
Bell System Teletype HFD 364

Telephone N. Y. CANal 6-1255

THE BUSINESS OUTLOOK

Signs of revival in the consumers' goods industries have appeared, thereby lending support to the probability that from a general business standpoint the recent revival in steel and other heavy industries would be more than sufficient to offset the initial shock of unfavorable war news on the consumers' goods industries. The loss of export trade in the Mediterranean will be serious, but probably not serious enough to prevent further business recovery.

OUR business is confined to the purchase and sale of loans of the Commonwealth of Pennsylvania; those of the City of Philadelphia; including the School District, a separate corporation; and, the obligations of some of the stronger political subdivisions of this state.

Moncure Biddle & Co.
Philadelphia

INCORPORATED INVESTORS

SEND FOR PROSPECTUS

Dealers in principal cities

• THE PARKER CORPORATION •
BOSTON, MASS.

COMPACT PICTURE of BUSINESS 1856-1939

An up-to-date edition of The Annalist Chart of Economic Fluctuations since 1856 is now ready. This finely printed chart, 23 1/2" x 41 1/2", shows business activity, industrial stock prices, wholesale commodity prices, bond yields and commercial paper rates for this period.

Space provided for keeping the chart up-to-date through 1940, using figures appearing in The Annalist.

50c Postpaid
(Plus 1c sales tax in New York City)

THE ANNALIST
Times Annex New York City

STEEL ingot production continues to gather momentum on the rise, and last week there were indications of a sharp gain in freight car loadings, seasonally adjusted. It is therefore estimated that the combined business index for the week ended June 8 will show an increase of about 2 points. The Federal Reserve Board index of industrial production, which was 105 for May, is estimated, on the basis of its usual correlation with The Times business index, to have reached about 112, as shown below:

May 4.....104	May 25.....108
May 11.....106	June 10.....109
May 18.....107	June 8.....112

There have been further advances in steel scrap prices. Nonferrous metal markets have been active, with heavy domestic sales of copper and zinc. Hide and wool prices are sharply higher, and our cyclical raw material price index has advanced. A buying movement in the cotton cloth market has been reported. Consequently it now seems even more probable that the recent hesitation in consumers' goods industries will be more than offset by the increase in activity in the heavy industries; and that, indeed, the consumers' goods industries will begin to show revival along with the expansion in producers' goods.

The employment record through April shows that conditions in the main war industries were developing much as indicated by the trends of employment in previous months. Employment in the manufacture of aircraft again reached a new high record, allowing for seasonal influences. Between January and February, however, aircraft employment increased only 2 1/2 per cent, whereas in the ten months ended Jan. 15 it had increased 112 per cent. This undoubtedly emphasizes

the need for increased facilities, either of plant or men, or both, for the expansion of aircraft production, and seems to justify fully the consideration that is now being given to the possibility of the adoption of assembly line methods, as widely advertised by Henry Ford's interest in the matter.

There was also a further increase in shipbuilding employment, although, despite the increased production thereby implied, the tonnage of vessels under contract at commercial shipyards was again higher on the first of June than on the first of May. Along with the increase in shipyard activity, there was a continued high level of employment on engines, turbines, etc., and on electrical machinery.

The Iron Age reports the placing of 600,000 tons or more of steel orders by the Allies. The chief danger, of course, from a general business as well as a military standpoint, is that the Allies have delayed too long in placing these orders. Canada also seems to have been strangely slow in getting into war production, although The Iron Age now looks for increased demand for steel from that source.

Automobile sales, which had declined immediately after the German invasion of the Netherlands and Belgium, recovered in the last part of May, so that average daily sales for the month, as reflected in General Motors dealers' sales, seasonally adjusted, were only slightly lower than in April. The strength of the recovery is shown by the record of Chevrolet sales in the table on the next page.

Nevertheless, Ward's Reports, Inc., is worried about the continued high level of production in view of the recent slackening in retail sales. Dealers' stocks of cars are said to be higher than at any time in 1936 and 1937, when sales were at a higher

Technical Information Essential in a Crisis

Special Letter—facts, interpretation, opinions—\$2: Re Defeatist Vs. Constructive share positions, Bond, Business, Commodity, London Trends.

PROJECTION II, Now Ready
First 2 of 6 papers explaining (or money back) projection position analysis, recognition of tops, bottoms (with charts) \$5. Series \$10 including Trend Letters until complete. Price will be \$15 when completed.

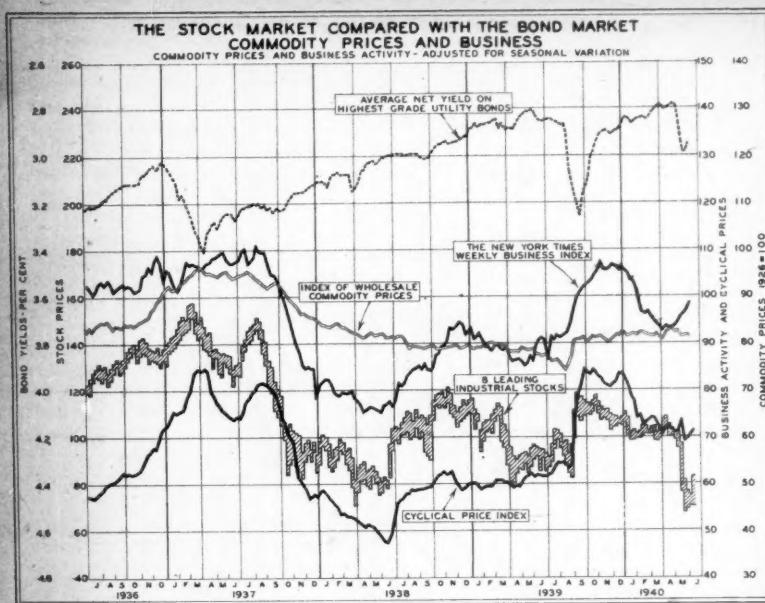
PRIVATE DEMONSTRATION
of Projection-Oscillator timing chart-technique now available to a few executives. Entirely frank, confidential, imposes no obligation.

H. J. McCURRACH
Graphic Hill New Hartford, Conn.

THE ANNALIST now has available chart paper to be used in connection with the chart of the daily high and low of The Annalist 90-stock average, making it possible for owners of these charts to keep them up-to-date through 1940. The cost is only 10c to cover postage and handling.

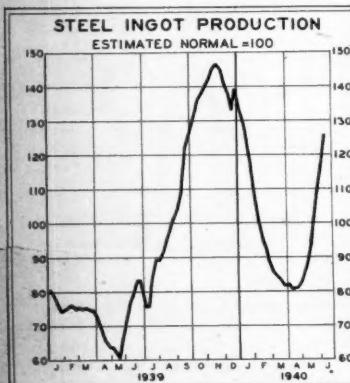
Copies of the complete chart showing the daily high and low from July, 1929, to June 6, 1939, with volume of sales on the N. Y. Stock Exchange for the same period, together with the 1940 chart paper, cost only \$1.00, postpaid (plus 2c sales tax in New York City).

THE ANNALIST
Times Square New York City

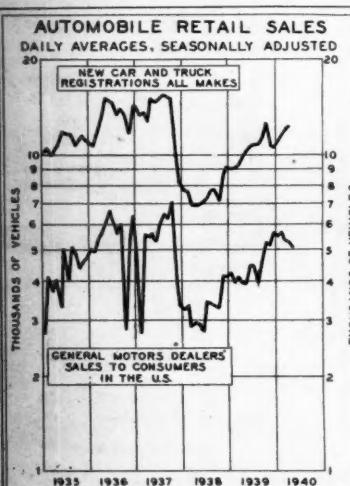


Week ended	Freight Car Loadings	Steel Mill Power	Electric Auto Lumber	Cotton Prod. Business Activity	Comb. Index	Cyclical Price Index
1939.	Misc. Other. Total.	Activity.	Prod.	Mill Business Activity	Index	Index
June 3.	70.9	84.9	75.0	72.3	43.8	73.1
June 10.	74.4	88.5	77.1	97.5	73.2	123.2
June 17.	73.7	89.9	78.5	79.1	88.6	75.6
1940.						
May 18.	79.7	94.3	84.0	93.6	101.5	93.2
May 25.	78.2	94.2	83.0	100.6	102.6	94.1
June 1.	75.0	95.6	83.2	109.6	102.3	88.3
June 8.	76.5	116.4	102.1	100.3	123.6	98.8
June 15.	71.5	125.6	102.1	100.3	123.6	105.5

*Estimated. †Revised. ‡Computed as of each Wednesday.



Latest point: Estimate for week ending June 15.



Latest points: General Motors, May; all registrations, estimate for April.

level than at present. Dealers' stocks at the end of April, according to Ward's, were the highest of any April 30 on record. Consequently it looks as if the motor industry is deliberately building up stocks against the time when automobile plants will be occupied with production for defense. Ward's concludes that production on present models will either come to a sudden end or else new models will not be introduced on schedule.

But reports credited to Washington that automobile plants must go on a twenty-four-hour, six-day basis for ten

months to fill the Army's immediate requirements are considered hysterical bunk by those familiar with the industry, according to Rupert Le Grand, Detroit editor of American Machinist. First, he says, most local facilities are devoted to passenger-car production and are built solely for

CHEVROLET SALES BY TEN-DAY PERIODS

	March	1940.	P. Ct.
First	27,148	23,430	16
Second	33,510	24,207	38
Third	45,356	27,513	65
April:			
First	32,895	21,740	51
Second	35,491	25,180	41
Third	39,976	29,890	34
May:			
First	30,299	23,270	30
Second	26,714	25,855	3
Third	35,751	28,000	28

ties are largely unsuitable for combat cars and tanks. Fourth, months would be required to change over to military production, even if desirable. Fifth, airplane motor manufacture is vastly different from automobile motor manufacture; most present equipment is entirely unsuited for it. Besides, personnel all down the line are unfamiliar with aircraft problems and technique.

Construction contracts awarded, seasonally adjusted, were slightly higher in that purpose. Second, even in truck plants, Army orders are built partly by standard production-line procedure and partly by batch manufacture to handle special features. Third, available facil-

U. S. EXPORTS AFFECTED BY THE WAR (Millions of dollars; including re-exports)

Directly affected:	1939	1938	1937
Greater Germany	51.1	134.4	142.7
Poland and Danzig	16.0	24.7	26.3
Denmark	23.9	24.8	17.2
Norway	32.1	22.6	22.2
Netherlands	96.8	96.7	93.5
Belgium	64.6	76.9	95.3
Italy	58.9	58.3	76.8
Albania	0.1	0.3	0.1
Total	343.5	438.7	474.1
Indirectly affected:			
Switzerland	18.6	10.6	9.6
Bulgaria	0.4	0.8	0.5
Greece	6.4	8.1	5.9
Hungary	2.7	2.7	0.7
Rumania	6.2	6.3	6.9
Yugoslavia	3.0	2.5	2.7
Turkey	8.3	13.2	14.9
Palestine	7.6	3.2	3.2
Syria	3.1	2.7	2.5
Egypt	14.0	13.3	13.7
Tunisia	1.0	1.4	1.1
Algeria	2.1	2.7	2.4
Morocco	3.0	3.2	4.1
Total	76.4	70.7	68.8
Grand total	419.9	509.4	542.9
Percentage of all U. S. exports to:			
Countries directly affected	10.8	14.2	14.2
Countries indirectly affected	2.4	2.3	2.0
Total	13.2	16.5	16.2

May. There was a decrease in residential contracts, seasonally adjusted, possibly in consequence of European developments, as reflected in other consumers' goods industries. But the decrease was moderate, and it was more than offset by increases in public works and public utility contracts. Except in "all other" contracts, moreover, our trimestral moving averages have all shown increases, so that the trend of building activity must be considered still moderately upward as of the end of May.

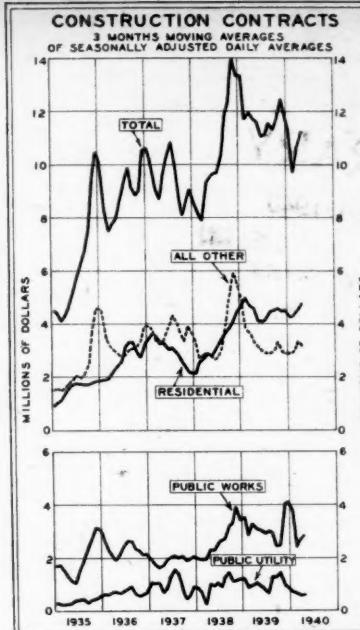
The enlargement of the war area by Mussolini's declaration of war on June 10 has now reached the point where, all told, the 1938 value of United States exports to countries directly affected was \$439,000,000, or 14 per cent of our total exports, and the 1938 value of our exports to countries directly and indirectly affected was \$509,000,000, or 16 1/2 per cent of our total exports.

At the request of Mordecai Ezekiel, O. C. Stine, head of the Division of Statistical and Historical Research of the Bureau of Agricultural Economics, has kindly added his comment to that of Dr. Ezekiel and of Dr. Hosking on the question raised in these columns May 30 as to the extraordinarily high level of cash farm income relative to prices received by farmers. Dr. Stine's comments are as follows:

You are both right and there is one other point that could be used.

The price index number series is constructed with a fixed base, whereas the income estimates represent annual sales. A shift in the distribution of the volume of sales among the several commodities will affect the income, but not the price index. The price index is largely determined by the prices of the staple commodities. A recent expansion in fruit and vegetable production, which would significantly affect the income estimate, would have little influence upon the price index.

D. W. ELLSWORTH.



Vol. 55
No. 1430

The ANNALIST

June 13
1940

CONTENTS

The Business Outlook, by D. W. Ellsworth	817
Charlie and the Banker, by George Buchan Robinson	819
National Government: Broadening Scope of National Defense; Important Domestic Issues, by Kendall K. Hoyt	820
Financial Markets	822
The Week in Commodities: Index Again Lower but Cotton and Corn Are Exceptions, by La Rue Applegate	823
Recent Sharp Advance in Canadian Production Indices a Statistical Aberration, by S. L. Miller	825
Business Activity's Complex Cyclical Pattern, by Simeon Huthner	832
Abstracts of Recent Important Articles on Business, Finance and Economics, by Helen Slade	833
Recent Books	843

Financial News of the Week	827
Dividends Declared	828
Bond Redemptions	828
Business Statistics	830
Stock and Bond Averages	834
Banking Statistics	835
Stocks—New York Stock Exchange	836
U. S. Government Securities	841
Bonds—New York Stock Exchange	842
New York Curb Exchange	844
Out-of-Town Markets	846
The Open Market	848

NEXT WEEK

Recent Developments in the Machine Tool Industry,
by Burnham Finney, Editor, American Machinist.

For actual markets in unlisted securities, with names of dealers, giving bid and asked prices, see Open Market Section, Page 848

THE ANNALIST—Published Weekly by The New York Times Company, Times Square, New York City. Telephone Lackawanna 4-1000. Subscriptions may be placed at any Branch Office of The New York Times. In United States, 1 Year, \$7.00; Canada, Mexico, South and Central America (postpaid), 1 Year, \$7.50. Other countries (postpaid), \$9.00. Entered as second-class matter March 21, 1914, at the Postoffice of New York, N. Y., under Act of March 3, 1879.

JUN 13

It has been widely assumed that the Social Security Act Amendments of 1939 both corrected the errors of the Act of 1935 and accomplished a satisfactory program for providing old-age security. The passage of the Amendments Act was hailed with enthusiasm by leaders of both political parties. So recently as Dec. 30, 1939, Senator McNary spoke with pride of the "Republican contribution" in the matter. Nevertheless, on April 16, 1940, the Senate Committee on Finance resolved to restudy the subject.¹

Senator Harrison said on April 22:²

"Before the Finance Committee adopted the resolution, I conferred with Mr. McNutt and with Mr. Altmyer and other members of the Social Security Board. I may say that the conclusion reached by the committee to appoint a sub-committee for the purpose of studying and reporting on this important question met the approval of those gentlemen. I hope and believe that something constructive can be evolved which will improve the present social security program. I can assure the Senate that the sub-committee will go into every detail of this program."

George Buchan Robinson has written in THE ANNALIST on the old-age sections of the Social Security Act four times in the last two years. His paper of June 29, 1939, found no progress toward old-age security in the Amendments Act then pending, but instead in several respects an evasion of the issues. His present story of Charlie and the banker was written before the April 16 action of the Senate Finance Committee, but appears to have gained in timeliness thereby, inasmuch as the subject will be reopened so soon. This is the first of two articles.—EDITOR, THE ANNALIST.

CHARLIE works at my home in Miami Beach as a gardener, one and one-half days a week. He is not in my direct employ, however. I employ his employer—a corporation engaged in landscaping, maintenance, etc.—and it employs Charlie and some 400 others in its extensive operations. Charlie is colored, aged about 30. Most of his fellow workers are colored. Charlie's wage for two years has been \$12 a week, less 12 cents a week for "social security."

I once asked him if he understood what social security meant and he said it meant that "the 'gov'ment' will take care of Charlie when he's old." I hoped it meant that of course, and I did not disturb him by expressing any of my doubt in the matter, although it is considerable. It arises basically from this circumstance: That although the *insurer* under the old-age program is the United States Treasury, and the Treasury's financial condition has been deteriorating lately, and is still deteriorating, both inside and outside of the old-age system, there has been little public or Congressional recognition that the validity of the old-age promise to Charlie and others hangs on putting an end to such deterioration. In 1939, for example, the Congress even reduced the old-age tax rates despite the plight of the insurer. It had become entangled in a question of insurance theory—the proper size of a fund—and did not see the *insurer* for the fund.

¹ "Resolved, That the chairman of the committee is authorized to appoint a subcommittee of eight members, of whom three shall constitute a quorum to make a full and complete study with respect to (1) the provisions of the Social Security Act, as amended, relating to old-age assistance, and Federal old-age and survivor's insurance benefits, and the Federal Insurance Contributions Act, (2) any bills relating to such matters referred to the committee during the Seventy-sixth Congress, and (3) any proposals dealing with related subjects which may be submitted to the subcommittee during the course of its study."

There were appointed to the said subcommittee under this resolution Senator George H. Herring, Johnson (Col.), La Follette, Vandenberg, and Townsend. Senator Vandenberg told the Senate on April 22 that the subcommittee will undertake its formal work about Dec. 1, and described the ground to be covered as that which is related to the old-age pension and benefit section, including an exploration of the "Townsend plan."

² Cong. Record, p. 7336.

Charlie and the Banker

How Social Security's "Presumptive Need" Theory Is Working Out in Practice

By GEORGE BUCHAN ROBINSON

One day in January Charlie was happy because he had received his first 1940 pay check, and it was for the full \$12 a week. He thought that the company had raised his pay 12 cents a week. It would have been unkind to explain to him, I thought, that the "gov'ment" had given up its project "to take care of Charlie when he's old." Last year he had been an industrial worker, duly covered by the Social Security Act, but now he has become, by statute, an agricultural worker, exempt from the act. He has the same job, but the job has been reclassified. Last year Charlie maintained the lawns and gardens—this year he will till the farms—of Miami Beach.³

The Banker

It so happened that I went to the bank that day. Lo! one of my banker friends had been covered by the act, while Charlie was being expelled from it.

The banker is aged 60. He and his employer (the bank), will "contribute" (pay taxes) at a combined rate of 2 per cent for the next three years, and presumably, at 4 per cent for two years, on \$3,000 of his wages. Their total contributions will be \$420. He will then be entitled, if he retires, to a pension of \$504 a year. That pension will have actuarial value to him, at age 65 (and cost to the Treasury), of about \$5,040, perhaps plus 50 per cent if he is married.

Charlie (had he not been expelled) working at \$600 a year for thirty-seven years (I doubt that his wage will increase much), would be entitled to a pension of \$328.80 a year, at age 65. Now that the "pay-as-you-go" (assessment) principle has been accepted in the act, it is impossible to compute the total which Charlie and his employer would have been required to contribute, but it is clear that it would have been a larger sum than the combined tax on the banker and his employer, particularly if the factor of interest over so long a period as thirty-seven years is taken into account.

Thus Charlie would have paid more and got less than the banker will pay and get. But the banker's greatest advantage over Charlie's unexpelled age-wage group is that he will receive his pension soon, while disbursements under the act remain small, whereas Charlie's group will be dependent upon the ability to pay of the insurer (the Treasury), in undepreciated dollars, when promised disbursements shall have reached four to five billions a year. It does not seem necessary to be greatly alarmed about the present condition of the Federal fisc to think that in the interest of Charlie's group, if for no other reason, all present extravagance should be proscribed, particularly now that the plan of preparing the Treasury for such large disbursements, through a large reserve account, has been abandoned. There is such extravagance in the application of the theory of "presumptive need" to elderly presumably unneedy bankers and others. There was also a denial of "presumptive need" in Charlie's expulsion.

The theory of "presumptive need" provides the basis on which both Charlie

³ Charlie's employer acted on advice of counsel in dropping Charlie from old-age coverage. It is possible, of course, that counsel may have erred in so interpreting the amended statute. That contingency is not important herein, however, because Charlie's case will be treated basically as that of a young farm worker—of which classification there are many thousands. In the event of any doubt on this point, read "exclusion" for "expulsion."

and the banker were intended to have favored positions under the act. Charlie belonged to the low-wage group, and the banker belongs to the short-time wage (or near-old) group. The Social Security Board said, Dec. 30, 1938, in its Report to the President and to Congress on Proposed Changes:

The present old-age insurance system, while maintaining a reasonable relationship between past earnings and future benefits, provides proportionately greater protection for the low-wage earner and the short-time wage earner than for those more favorably situated. In other words it recognizes *presumptive need* as an essential consideration in any socially adequate old-age insurance system. * * * To allow for *presumptive need*, the old-age insurance system gives much greater weight to the first \$3,000 of accumulated earnings than to subsequent earnings. It is thus possible for a person retiring in the early years of the system or for a low-wage earner retiring at any time to receive very liberal benefits in proportion to his past earnings.

The board's statement referred to the act of 1935. The theory of "presumptive need" was retained in the 1939 act, however, under a new benefit formula with further weighting in favor of the near-old, as this table shows.

INDIVIDUAL MONTHLY PENSION

—Age-Wage Group—
Charlie's. The Banker's.

Under the 1935 law..... \$31.00 \$25.00

Under the 1939 law..... 27.40 42.00

The shift from the 1935 "reserve" plan to the 1939 "pay-as-you-go" plan also reduced the taxes of the banker's age-wage group (while increasing the pensions), and presumably increased the future taxes of Charlie's age-wage group (while decreasing the pensions).

Discrimination

There can be no reasonable complaint against the theory of "presumptive need" as applied to the low-wage earners. To use the board's phrase, such registrants are not "favorably situated." But the short-time wage (or near-old) groups contain many persons such as the banker, who, presumably are very "favorably situated." Thus there is a *prima facie* case for the *presumptive need* of the former group but not for the latter. Instead both the extravagance and the inequity of the theory, as so applied, seem open to questioning. And there is to be considered also, in a less than universal system, a third form of *presumptive need*, that is to say, that of the included occupations as compared with the excluded occupations and the unemployed.

As applied to the near-old, "presumptive need" had its origin in the quick shift which the act attempted from reliance upon a non-contributory needs-test, universal old-age assistance system (Title I) to the use of a contributory, non-needs test, limited coverage, old-age pension system (Title II). Under the act all persons who were aged over 62 on Dec. 31, 1936, and all persons of the occupational groups which were not covered by Title II, were referred to Title I and the needs-test. Certain persons (of the selected occupational groups) who were under age 62, were admitted to the pension system of Title II. They now "contribute," at premiums that are level for all ages, and they have been freed from the needs-test. For the oldest a period of three years of such coverage (and contributions) qualifies for a pension.

What might be called the natural date

for a contributory non-needs-test system to succeed a non-contributory needs-test system would be thirty years or more hence, when reasonable contributions, made by and for young persons only, and for their own old ages, should have been sufficient to pay their pensions. It does not seem necessary to think that the "natural" date was the proper date, in the planning of the succession, to notice that it has required the theory of *presumptive need*, as applied to the near-old, to explain the unearned pensions which will result from the very quick transition which the act attempts. That right to old-age assistance which is the reciprocal of the State's duty to care for its dependent aged is intended to be abandoned, as the governing criterion, long before the right that will arise from having contributed (or from having "worked" since Dec. 31, 1936) can attain to any considerable vigor. The theory of "presumptive need" is intended to fill that wide gap. It had to be contrived and invoked for that purpose. My banker friend will not receive his largely unearned pension exclusively because he is a member of a contributory system, but also because the system *presumes* that he will be needy at age 65. His right to old-age help, which formerly rested on needs-test, has been decided in his favor without examination of his need, and that presumption will have to support at least nine-tenths of his pension.

However hateful the needs-test is considered to be, and however desirable it seems that it should be eliminated at the earliest possible moment, it must be noticed that the act expressed no compunction at applying it either to the present-old or to the occupationally excluded. "Presumptive need," for age, ended abruptly at age 62. Occupationally, it has now been applied to bank workers but not to farm workers. Paying so great a bonus to the near-old members of the covered occupations, on what theory of equity are any occupations presently excluded?

The administrators of the Social Security Act, and their advisers, have been alert to this discrimination. They have sought and are now seeking correction in extensions of the coverage of Title II. To that end they recommended to the Seventy-sixth Congress the immediate covering of agricultural labor, and the covering, soon, of the self-employed, which includes the farmers. A major difficulty, however, in respect to the latter action, is that the present tax base is wages, and that the self-employed do not receive wages. After five years of the act no proposal for equating the wages of the employed and the incomes of the self-employed has been put forward. Meanwhile, in the 1939 amendments, enacted pursuant to the board's report on proposed changes and the report of the Advisory Council on Social Security, Charlie was expelled from Title II as an agricultural worker while the bank workers were being included.

Political Considerations

These actions were not taken in the old-age security area but in the political. Actions taken in the former area would have followed "presumptive need" by occupations, beginning with those occupations adjudged to present the strongest presumption of need. Instead the bankers got in and Charlie got out because of the attitudes and political influences of their employers. The banks were willing to be taxed as employers, or were unable to prevent it; and the farmers were unwilling to be taxed and were able to prevent it. Both attitudes are understandable but obviously the results did not go forward toward ending occupational discrimination, nor toward a wise selective decision.

It would appear, therefore, that the selective process, by occupations, in a less-than-universal system, is not working

well. The late Mr. Justice Cardozo, in the decision of the United States Supreme Court in *Helvering vs. Davis* (the leading case upholding the constitutionality of the act) appears not to have addressed the present substance of the act when he said: "The plight of men and women at so low an age as 40 is hard, almost hopeless, when they are driven to seek for re-employment." My banker friend did not, but Charlie may, lose his job at 40. Yet Charlie, whose "presumptive need" makes a *prima facie* case, was expelled, while the banker, whose "presumptive need" is the product of an arbitrary favoring, not of the old, but of the near-old, was included and neither action proceeded from judgments of the needs of their occupations, such as seem essential in any less than universal system. Nor has it been explained why it is thought that increasing the occupational coverage to anything less than universal will cure the discrimination. Such steps decrease the number of persons harmed, to be sure, but they also increase the extent of the harm done to those who remain excluded, if they are of the favored age group.

Old-Age Security and the Treasury

The financial aspect of presumptive need, as applied to the near-old, besides disturbing the various equities, as described, raises questions which have to do with the financial status of the insurer, the Federal Treasury. Can a citizenry presumptively needy at age 65 support a Treasury which can afford the theory of presumptive need, as so applied? More specifically, how dares the government undertake any such waste as paying any unearned, unneeded pensions, in view of its commitments to millions of young Charlies, its present slighting of other social services (including health, disability, and old-age assistance, on proof of need, under Title II) its present difficulties in respect to taxing for its ordinary expenses, and its, let's say, not inconsiderable ordinary debt?

I said early herein that in the 1939 amendments the Congress did not see the *insurer* because of the controversy about the proper size of a (reserve) fund. Apparently it was only because of that approach that Senator Vandenberg, who in the debate called the government "spendthrift," and Secretary Morgenthau, who presumably thinks otherwise, were able to agree in support of the bill. Both the Senator from Michigan and the Secretary of the Treasury appear to have been diverted by one argument after another, from the main issue. The Social Security Act had named the Treasury the insurer of the old-age program. Sound accounting practice required that in these circumstances the Treasury should make a con-

*The Treasury appears also to have been under a statutory duty to make such a confession. See (old) Section 201a of the act. Edwin E. Witte, chairman of the Department of Economics, University of Wisconsin, executive director of the President's Committee on Economic Security (1934-1938), said to the Ways and Means Committee, March 18, 1939. Hearings on Social Security, p. 1756.

"The act as passed and as it stands today does not provide that the receipts from the Title VII taxes shall be appropriated to the reserve account; instead it expressly authorizes Congress to appropriate a sum sufficient to pay the costs of the benefits under Title VII, computed on an actuarial basis . . . The act contemplates that Congress should make appropriations annually sufficient to meet these (currently accruing) liabilities . . . The Secretary of the Treasury shall call attention to the unprovided-for liabilities in an annual report to Congress . . . There would seem to be little argument that the government should disclose what the accruing liabilities are. This is the primary purpose of the reserve provisions of the Social Security Act as it stands."

The Treasury did not make annual reports to Congress of the currently accruing liabilities, however. Instead it estimated for appropriation by Congress to the reserve account amounts approximately equal to the receipts of Title VII minus expenditures. These sums were not sufficient to express the currently accrued liability. An exceedingly important feature of the Amendments Act of 1939 was that the said confession requirement was repealed. Dr. Witte said also:

"To appropriate merely enough money to the old-age reserve account to meet current disbursements without even disclosing to the people how much the accruing liabilities are is fundamentally dishonest governmental bookkeeping."

solidated balance sheet and a consolidated budget such as would include the accruing old-age liability.⁴ It is the Treasury's total financial improvement or retrogression which matters to the insured—particularly to the young insured. The size of a reserve fund deals only with attempted preparation inside the system. The failure of the act in 1937-38 (which produced the amendments) was in the circumstance that the attempted preparation within the system was inadequate on its own account, and also was nullified by the budget deficits outside the system, so that no total improvement was taking place. A tax reduction was a strange prescription for that fiscal failure. It was not less strange indeed than would have been a reduction of all Federal taxes—enacted on the ground that the budget was in a deficit condition.

This result could have been produced only by looking at the old-age program as separable from the ordinary fiscal affairs of the government—an evasive accounting concept, in view of the Treasury's position as insurer. There are two questions which would have intruded at once had the Treasury's role been understood. That they were not asked seems abundantly clear from the votes of 402 to 2 in the House and 57 to 8 in the Senate, by which the Amendments Bill was passed—such votes not having been in accord with the known divisions of the Seventy-sixth Congress in respect to fiscal matters. These questions deal with the substance of the major enactments of the 1939 amendments.

1. Are the present condition and prospects of the insurer (the Treasury) sufficiently favorable to permit undertaking the old-age program on a little-or-no preparation (i. e. "small reserve") basis?

2. Are they sufficiently favorable to admit of making the system only one-third contributory (the so-called tripartite division of cost between employee, employer

and the Treasury), and of beginning at once to pay largely unearned pensions without a showing of need?

Not asked, not answered, of course. In the 1939 amendments the condition of the insurer was not treated as germane to the fates of the insured, even by the opposition party.

Young Man, What Now?

A reasonable test of the 1939 amendments should be to ask whether they replied adequately to the complaints which produced them. The major complaint was that the old-age tax moneys were not being conserved by the government, but were being spent. So are they now, after the amendments. Will it be in the slightest degree helpful to the millions of young Charlies, coming up for pensions about 1970, to be told that their early taxes were spent for old-age pensions in 1940 and thereafter, instead of for relief, or the army and navy, or whatnot, in 1939. The amendments expressed old-age jealousy of the old-age moneys, without expressing a corresponding jealousy in respect to the Treasury's other moneys, or admitting even that such other moneys had other duties to perform—although only the total (net) result could possibly matter to Charlie's generation.

Another influential complaint, in the 1939 reasoning, was a fear that the old-age tax moneys would induce Congressional extravagance. But moneys then being collected amounted to only slightly less than one-fourth of the known accruing costs of the program. The costs, however, were not being confessed by the Treasury, that is to say, they were not being entered on the Treasury's books. The combined tax rate was 2 per cent of covered payrolls. W. R. Williamson, actuarial consultant to the Social Security Board, testifying before the Ways and Means Committee in 1939, submitted an exhibit which set at 7.88 per cent of payrolls "the level

per cent (of payroll) required to support the benefits over a long-range period." This exhibit referred to the act of 1935. It suggests an old-age deficit (unconfessed on the books of the Treasury) of 5.88 per cent of covered payrolls since Jan. 1, 1937—a matter of about \$3,640,000,000 as of June 30, 1939. It would reasonably appear that had this sum been shown as the additional governmental debt which it was, a Congressional examination of the old-age program in the light of such a confession would have been more likely to point toward economy than toward extravagance.

To be sure, the old-age program supplied extra cash, for the moment. But in the seven years preceding, the Congress had appropriated about \$20,000,000,000 more than the government's income without once being faced with a cash problem. The Treasury had invariably been able to supply the necessary cash through borrowings (at low interest rates and with "oversubscriptions"). At the most, the old-age program, so far as cash was concerned, had only given the Treasury new borrowing market which it did not need. It had given it also, however, new accrued liabilities almost four times as large as the tax receipts it had provided (i. e., 7.88 per cent of covered payrolls vs. 2 per cent thereof) at a time when Congress had shown concern over accruing debt by declining to raise the ordinary "debt limit" from 45 to 50 billions.

Tax Reduction Indefensible

Another criticism was the opinion that the accumulation of a large fund amounted to an imposition on the registrants. But had the Treasury been seen as the *insurer*, required as such to make a consolidated balance sheet such as would express its accrued liability for pensions alongside its ordinary debts, it presumably would have been seen also that all

Continued on Page 847

National Government: Broadening Scope of National Defense; Important Domestic Issues

WASHINGTON.

WITH France increasingly endangered by the German advance and by the ending of doubts as to Italy's intentions, more impetus is given daily to national defense plans in Washington. As "surplus" military equipment is speeded to the Allies, opinion is fast forming toward increased aid on which there may be developments before this is printed.

For the moment, subject always to change, it is thought that the Army and Navy appropriations, in the regular supply bills and the President's two supplemental requests, are all that will be now sought. It is thought also that the authorization bills now in the hopper will be all for this session.

Authorization bills, well along toward enactment, include the lifting of top limits on airplane strength, expediting the shipbuilding program, expanding the Navy, reorganizing the Navy, expanding the Army and Navy air-base and pilot-training programs, allowing construction at military posts and authorizing funds for increasing war industry production.

Beyond all this, the pending RFC bill, reported in the Senate and granted a rule for House action, would permit the Administration virtually to double its present program. Since it would allow RFC to set up corporations to engage in manufacturing for national defense, which might cover almost any field of production, the already broad powers granted to RFC by the 1938 amendments would make it possible to launch another great

By KENDALL K. HOYT

wave of activity without further action by Congress.

Meanwhile, the defense tax bill, originally planned to yield upward of a half billion dollars per year, is being broadened to help meet the further increase in the defense plan, made since the bill was introduced. The debt limit is to be increased by \$4 billion instead of \$3 billion. These issues, which seemed to loom so large at the start of the session, are likely to pass without much ado. Despite new taxes and the proposed impounding of 10 per cent of funds for civil activities, it is to be expected that the deficit for fiscal 1941 will again be in the magnitude of \$4 billion.

* * *

DEFENSE PLANNING is being expedited with members of the National Defense Advisory Commission organizing in the Federal Reserve Building and assembling expert staffs in the phases to which they are assigned. Each will study in his own field and report directly to the President. If the President accepts the recommendations, he will turn to the appropriate department which has funds provided and issue instructions as to departmental action. There is much confusion as to the positive powers of this commission set up as a purely advisory board.

It is now being realized that labor is the main bottleneck in the expansion of war industries owing to the difficulty of finding or training specially skilled personnel. The Labor Department has named a special committee to work with C. I. O.

and A. F. L. on this problem. One purpose is to survey the 6,000,000 on the United States Employment Service rolls to see how many skilled workers are available. Also to be studied is the question of assembling workers in different localities to meet war production needs. The slanting of housing programs in this direction also is being considered.

In the aircraft field, although Ford's statement that he can build 1,000 planes per day has not been keyed into a definite Federal plan, there is reason to believe that the automobile industry may be into the program far more deeply than now appears. Present airplane orders are for precision machines with all the latest gadgets. The Germans have achieved mass production by cutting down to bare essentials on ships, soon to be lost in battle anyhow, which can fly and bomb in clear weather conditions.

* * *

DOMESTIC ISSUES continue to advance, but are barely noticed outside of Washington. The House passage of the Wagner act amendments, Senate reporting of the relief appropriation and other legislative developments are recorded in the legislative summary herewith.

Since it is likely that adjournment will be delayed for at least several weeks, dozens of bills which otherwise would have died with the session now are likely to pass. The revised investment trust bill is showing life in the Senate. The Hatch act amendments have been reported in the House. Pending is a fight on renewal of the Sugar Act of 1937, the question being whether to extend it as it is or as it

JUN 13

was prior to Feb. 29, when restrictions on Cuban sugar expired.

National Legislation Week Ended June 8

LAST WEEK the House met Monday through Friday, June 3-7, and adjourned on Monday, June 10. The Senate met Monday through Thursday and recessed to Monday.

SENATE CONFIRMATIONS—Walter Myers, Fourth Assistant Postmaster General; Wilford S. Alexander, Administrator Federal Alcohol Administration (reappointment).

NOMINATIONS—Thad H. Brown, Ohio, member Federal Communications Commission (reappointment).

PASSED BOTH HOUSES—S1964—Amend Sec 5136 Revised Stat to auth charitable contributions by cert bknk assns. Passed H June 5.

S2464—Change method of computing profit limitatn for govt contractors on Navy ships. Passed H June 5.

S2568—Amend Fed Credit Union Act. Passed H June 5.

S3042—Amend CCC Act. Passed H June 3.

S3650—Prevailing wage rates on pub works Alaska and Hawaii. Passed H June 3.

S3683—Remove time limit for cooperatn in developing farm units on Fed reclamatin projects. S Agrees H amendments June 5.

S4026—Reorganize Navy. To conf June 7.

SJR59—Bur Labor Statistics collect data on convict-made goods. S agrees H amendments June 6.

HR5584—Amend Canal Zone Code. H agrees S amendments June 4.

HR7643—Simplify natl forest administratn. H agrees S amendments June 7.

HR8026—Naval expansion. Conf rpt filed H June 7, HRpt2416.

HR8438—Navy approp. Through conf June 6.

HR8668—War Dept civil approp. S further disagrees to H amendments June 4.

HR8913—Legislative approp. Conf rpt filed H June 7, HRpt2474.

HR9109—D C approp. Through conf June 5.

HR9209—War Dept military approp. Conf rpt filed H June 6, HRpt2415.

HR9242—Army promotions. S agrees conf rpt June 5.

HR9262—Examine civilian nautical schools. H agrees S amendments June 3.

HR9700—Amend AAA Act. Passed S June 5.

HR9848 (S4024)—Naval aircraft expansion. Conf rpt filed H June 7, HRpt2418.

HJR367—Aid American Republics to increase their Army and Navy. Passed S June 6.

HJR551—Reorganizatn Plan V to take effect immediately. H agreed S amendment June 3.

PASSED ONE HOUSE—S2013—Regulate cooperative assns in D C. HRpt2411 June 6.

S3046—Apply Hatch Act to ban pernicious political activities by Stt employees paid by Fed funds. HRpt2375 June 4.

S4027—Transfer active list Construct Corps to line of Navy. Passed S June 4.

HR6381—Admit to citizenship aliens who came prior to Feb 5, 1917. Passed H June 5.

HR8243—Increase pensions veterans regular establishment. Passed H June 5.

HR8354—Assistance to farmers and interventn by Secy Agric in U S Maritime Commission cases as to transports of farm products. Passed H June 3; to S Commerce.

HR9117—Eliminate tax on brandy and increase tax on wine. Passed H June 7.

HR9195—Amend Natl Labor Relations Act. Passed H June 7.

HR9575—Amend Fed Aid Highway Act 1916.

Passed H June 3; to S P O & Post Roads.

HR9774—Prompt deportatn criminal aliens. Passed H June 5; to S Immigratn.

HR9843—Loans to Fed Land Banks for refinancing farm-loan bonds by Farm Mortgage Corp and changing method of fixing interest on land-bank mortgages. Passed H June 3; to S Bnkg & Currency.

HR9859—Time limit for collecting feed and seed loans. Passed H June 3; to S Agric & Forestry.

HR9972—Auth river and harbor projects for natl defense. Passed H June 3; to S Commerce.

HJR544—Relief approp. SRpt1754 June 5.

REPORTED—S3920 (Wagner), SRpt1752 June 3—Amend Railroad Unempl Insurance Act.

S4039 (Hayden & others), SRpt1784 June 6—Auth Secy Interior to promulgate charges on Boulder Dam power.

S4070 (Wheeler & Schwartz), SRpt1744 June 3—More uniform coverage of coal miners as to insurance benefits.

S4108 (Wagner), SRpt1775 June 6—Registration and regulation of investment trusts and investment advisers by SEC.

HR6207 (Disney), HRpt2403 June 6—Amend Sec 218a Internal Rev Code to exempt petroleum stills from registratn.

HR8621 (Ramspeck), HRpt2371 June 4—Amend Civil Service Retirement Act.

HR8963 (McLaughlin), HRpt2372 June 4—Amend Bankruptcy Act as to basis of property; exclude certn corporations from Chap XI.

HR9058 (Steagall), HRpt2363 June 3—Auth RFC purchase stock Fed home loan banks.

HR9880 (Dickstein), HRpt2396—Codify nationalization laws.

HR10011 (Dirksen), HRpt2426 June 7—Prohibit sale of convict-made goods in D C.

HJR556 (Bloom), HRpt2400 June 5—Non-recognition of transfer of any area in Western Hemisphere from one non-American power to another.

HRpt2378 (June 5)—Preliminary rpt Committee on Merchant Marine & Fisheries pursuant to HRes162 investg Alaskan fisheries.

REJECTED—HR8753—Amend Sec 4d of 1924 act to liberalize privileges to women under immigratn laws. H refused to pass June 5.

NEW SENATE BILLS—S4082 (Downey) Militry Aff—Defense of Western Hemisphere.

S4093 (Mead) Finance—Exempt State-owned carriers from Railroad Retirement Act.

S4095 (Wagner) Bnkg & Currency—Amend Fed Home Loan Bank Act, &c.

S4096 (White), Interst Com—Amend Motor Carrier Act as to freight forwarders.

S4097 (Pittman) Forn Relations—Disposition of estates of American citizens who die abroad.

S4098 (Bankhead) Agric & Forestry—Claims for processing tax ref.

S4105 (Sheppard) Military Aff—Create Natl Industrial Defense Corps.

S4112 (Wheeler) Interst Com—Amend Transportation Act 1920.

S4113 (Andrews & Pepper) Judic—Amend Bankruptcy Act.

SJR269 (Gillette) Forn Relations—Joint action by American Republics for defense.

SJR271 (Pittman) Forn Relations—Non-recognition of transfer of any area in Western Hemisphere from one non-American power to another.

SJR270 (Vandenberg) Finance—Ease Finn debt pays.

SJR273 (Lodge) Forn Relations—Amend Neutrality Act to exempt Canada from certn provisns.

SRes274 (Wheeler) Interst Com—\$5,000 more for investg of telegraph industry.

NEW HOUSE BILLS—HR9982 (Bland) Merchant Marine & Fisheries—Require during an emergency the shipment and discharge of seamen on certn U S vessels before shipping commrs.

HR9990 (Durham) P O & Post Roads—Amend Sec 4008 Revised Statutes as to transportation of farn mails.

HR9993 (Scrugham) Bnkg & Currency—RFC loans to develop deposits of strategic minerals.

HR9996 (Murdock, Ariz) Military Aff—RFC loans to develop deposits of strategic minerals.

HR9998 (Nichols) Approp—Employ 500 aditn spec FBI agents.

HR10000 (Hendricks) Ways & Means—Extend time for employer contributns for credit Sec 1601 Fed Unempl Tax Act.

HR10009 (Bates, Ky) Interst & Forn Com—

Amend Sec 13d Railroad Unempl Insurance Act.

HR10010 (Brooks) Military Aff—Increase size Regular Army.

HR10013 (Lea) Interst & Forn Com—Amend Securities Act 1933 and Bankruptcy Act.

HR10014 (Lea) Interst & Forn Com—Amend Transports Act 1920.

HR10015 (Bloom) Forn Aff—Disposition of estates of American citizens who die abroad.

HR10027 (McLean) Patents—Extend time for filing in U S Patent Office in favor of nations granting reciprocal patent rights.

HR10030 (Vinson, Ga) Naval Aff—Increase number of naval aviators.

HR10031 (John L. McMillan) Ways & Means—Amend old-age Security Law.

HJR555 (May) Military Aff—Enforce neutrality and strengthen defense.

HJR557 (Fish) Forn Aff—Auth President to acquire possessns of non-Americans powers in Western Hemisphere.

HJR561 (Angell) Ways & Means—Postpone Finnish debt pays.

HJR562 (Scrugham) Labor—Train CCC in non-combatant wartime duties.

HJR563 (McLeod) Educ—Encourage research by college students in science of govt.

HCR76 (Mrs. Rogers, Mass) Forn Aff—Call on President for certn farn aff info.

HCR77 (Thill) Ways & Means—Congress to remain in session.

FAMILIAR ACTS THAT MARK A BETTER WAY OF LIVING



Naturally, when you see people doing familiar everyday things with their hands—taking a picture or drinking Coca-Cola or what not—it may not occur to you that such simple movements are the life of business.

Fifty-five years ago, no amount of money would buy you an ice-cold Coca-Cola. The next year you could buy it for five cents.

The price is still a nickel and you can buy ice-cold Coca-Cola never far from where you are. You and people like you helped to make that happen. You tasted Coca-Cola, you liked it.

So Coca-Cola went into soda fountains everywhere. It went into bottles coming from hundreds of bottling plants. Then came the familiar red coolers. Then

the famous six-bottle cartons. Finally, more than a million retail places to serve you.

Coca-Cola comes to you prepared with the finished art that comes from a lifetime of practice. You can taste the quality of Coca-Cola. That's the main reason so many millions every day pause to enjoy the refreshment of ice-cold Coca-Cola.



Your desire for its quality and years of work have made Coca-Cola the drink everybody knows... and have made the pause that refreshes America's favorite moment.

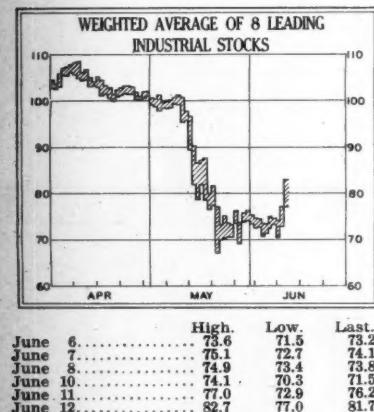
COPYRIGHT 1940, THE COCA-COLA COMPANY

Financial Markets: Stocks Rebound on Rumors of War Between Russia and Italy

STOCK prices have advanced during the past week in spite of unfavorable news from abroad, leading stocks having broken through the supply levels of May 23 and 27. The market as a whole has risen to the best levels seen since May 20. Volume of trading has increased moderately on the recovery, but has remained far below the levels reached during the May decline.

The best gains on the market's advance have been in the steel stocks, Westinghouse, du Pont, American Telephone, Montgomery Ward and the aircraft manufacturers. The tobaccos, coppers, food and rubber stocks have advanced somewhat less than the rest of the list.

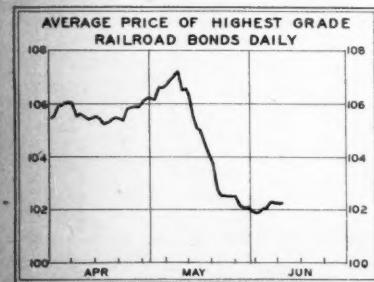
An interesting incident on Wednesday was the circulation of the rumor that Russia had declared war on Italy. The report caused some excitement and was accompanied by a rapid advance in prices, but on its denial stocks nevertheless held their ground.



Although business news has in some respects been of a more favorable character during the past week, its influence upon financial sentiment has been held to a minimum by developments abroad. As during the preceding several weeks, bullish news has related primarily to industries benefiting most directly from armament production.

It is interesting to note the belief expressed in some quarters that automobile production during the remainder of the 1940 model season and the early part of the 1941 season may be stimulated by the threat of curtailed manufacturing capacity as armament production increases.

During the past several weeks there has of course been considerable discussion in investment circles of the possibility that if the war continues and if armament requirements in this country expand sufficiently the automobile industry will become a major factor in aircraft production. There is little evidence from the behavior of automobile stock prices, however, that this possibility constitutes a major factor in the outlook for profits.



AVERAGE PRICE OF HIGHEST GRADE RAILROAD BONDS

	June	May	Apr.	Mar.	Feb.
5	102.01	106.02	104.79	106.24	
6	102.01	106.71	106.05	104.88	106.34
7	102.28	106.93	106.08	104.81	106.37
8	102.25	107.08	106.04	104.78	106.47
9	102.23	107.25	105.66	104.89	106.41
10	102.23	106.51	105.65	104.91	106.32
11	102.23	106.56	105.56	104.91	

Reflecting increased activity in the steel and other nonferrous metal industries, metal prices have recently displayed some strength. Demand for copper has been well sustained and earlier strength in the price of zinc has been followed by advances in the price of alloys containing this metal.

The outlook for the railroad equipment industry has continued to be a subject of active discussion by investors as a result of additional armament orders received by railroad equipment producers. The amount of railroad equipment buying this Spring has been moderate but the volume of munitions orders already received by the

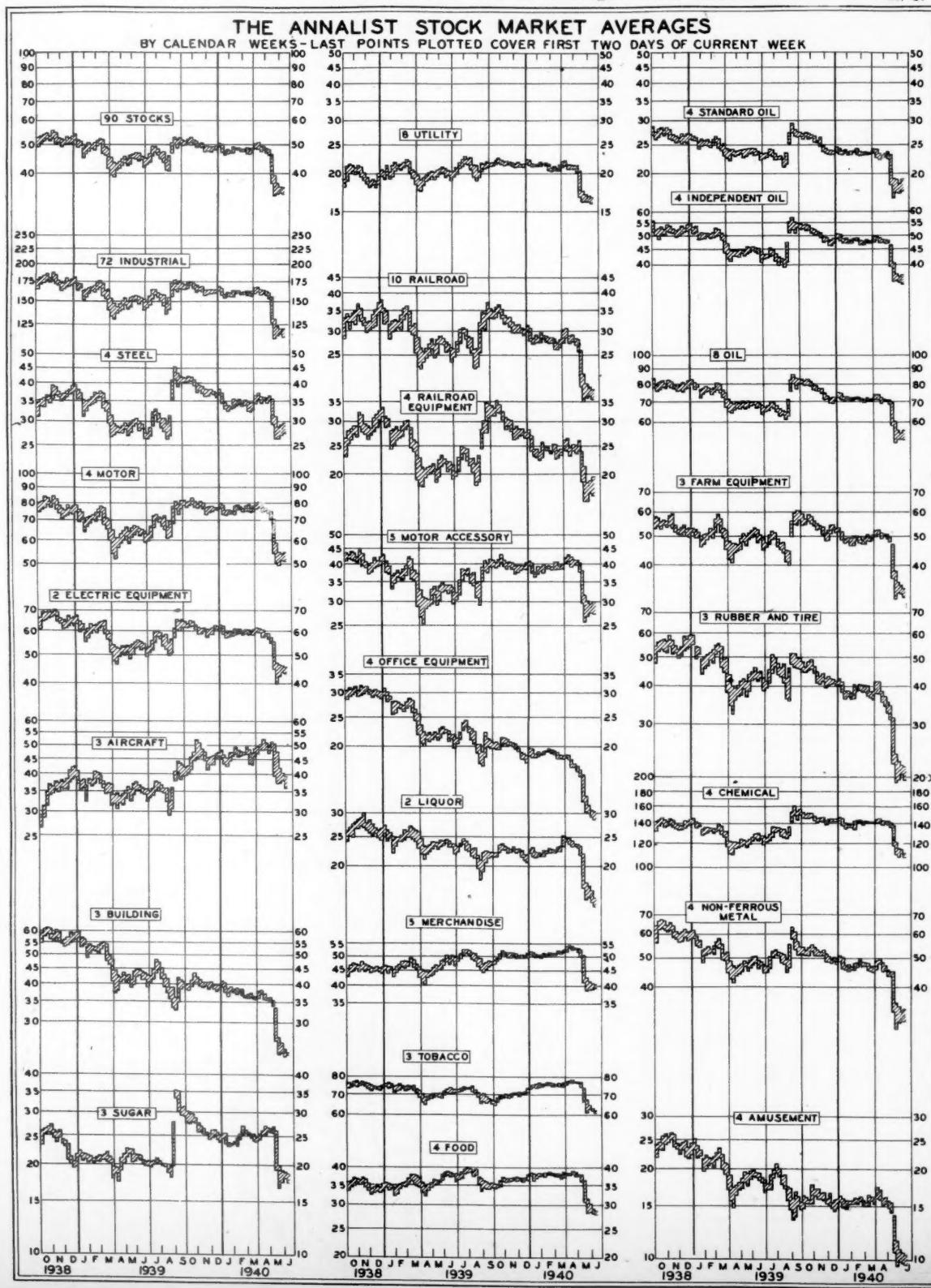
industry suggests that business of this type may be of considerable importance. This influence has, however, failed to have a material effect upon stocks of railroad equipment companies.

Sterling exchange has been subject to wide fluctuations, although this has had little effect upon security markets. Last Thursday the free sterling rate began to advance sharply in anticipation of further tightening of exchange regulations which will virtually eliminate free sterling. A violent reaction and rebound followed this sharp advance and Wednesday's close finds the rate somewhat below the high-

est level reached during the week.

For some time the stock market has been a matter of two strong opposing forces, on the one side rising domestic business activity and the probability that further expansion will occur during the next several months and, on the other, exceedingly bad news from Europe. The possibility of the war's ending this Summer with an Allied defeat, with the consequent cancellation of orders for war materials, has been in the minds of many investors. It is evident from the market's action this week that settlement for the time being at least has shifted to the favorable side and that less emphasis is being given news from abroad. Evidently investors are more or less resigned to the fall of Paris.

M. C.



ing. Summer clothing was much in demand, and Summer hats, shoes, gloves and other accessories were sold like hot cakes.

Unfinished goods sales have been most unsatisfactory in recent weeks. Reports from mill centers indicate that most mills have only a "small amount" of unfilled orders on their books. In some cases, stocks have begun to accumulate. Mill operations have been on a descending scale for many weeks, with The New York Times Index of Cotton Mill Activity placed at 122.7 per cent of "normal" in the first week of June, the lowest, with one exception, in exactly one year.

Despite the current unsatisfactory situation, textile tradesmen are hopeful that the current upswing in department store sales will soon find reflection in better gray goods sales. The unfinished goods market—incidentally—can turn right-about-face overnight.

RUBBER

Spot markets were fractionally lower, but futures were 15 points higher to 25 points lower in a dull market. Long-term options acted better than near-by options, apparently on the belief that rubber prices may advance within the coming months.

On Tuesday heavy buying pushed prices up 100 points.

Trade news continued bullish for the most part despite new and more extensive claims as to how much synthetic rubber we can manufacture in this country. The point sometimes forgotten is that artificial rubber is far more expensive than the natural product and does not wear as well in many cases. In some instances, on the other hand, artificial rubber wears better than the natural grade, especially where it is likely to come in contact with oil and grease.

On Monday it was announced that freight rates for a cubic meter of crude rubber would be \$15 after Aug. 1, as compared with \$12.50 at present. The announcement was made before Mussolini declared war on the Allies. That further increases will be made is taken for granted and the wider the theatre of war the higher rates will go. There is every reason to expect that crude rubber prices—in this country at least—will follow the trend in ocean freight rates.

Automobile production has risen sharply from the low point during the Memorial Day holiday. According to Ward's, 96,000 cars were turned out in the period ended June 8, as compared with 61,000 in the preceding week and 65,000 units a year ago.

WOOL TOPS

Futures rose as much as 7 cents a pound last week in the best rally the market has witnessed since last November. Especially heartening to the bulls was the fact that volume of trading reached 6,615,000 pounds, more than double that of the previous week and not far from the highest levels of the year.

The principal reason for the sudden rise in prices was an announcement by the government that it would shortly enter the market for large quantities of woolen goods as part of the new defense program. It was estimated that the government would require upward of 50,000,000 pounds of greasy wools. This country consumed 32,000,000 pounds in April.

Contrary to the experience of many other industries—where announcement of large government orders caused hardly a ripple in the trade—the War Department's list of items it would buy resulted in an immediate pick-up in woolen circles. Trade observers predicted that almost every woolen mill in the country would participate in the new business and that the curve of operations would finally turn upward after months of decline.

Indicative of the improvement that has

taken place within the last week is the fact that mills will no longer consider concessions on purchases and are actually advancing prices in certain instances. A few weeks ago large concessions were rather common, although even that method failed to produce much business.

COTTONSEED OIL

After several of the longer term options had established new lows for the last year or more, prices rallied about 25 points and closed as much as 12 points above the preceding week. Late buying was based on the decline in imports of foreign oils together with the realization that the technical position of the market was strong. Traders asserted that prices would have gone higher had it not been for the weakness in hog quotations.

Recent statistics are moderately optimistic. In April (latest available) 258,000 barrels of refined cotton oil were used, as compared with 205,000 barrels in the same month of 1939. Consumption for the nine months ended April 30, however, totals only 2,579,000 barrels, as compared with 2,307,000 barrels in the corresponding period of last year. This moderate increase reflects small usage in August, February and March.

At the close of April stocks totaled 2,054,000 barrels, as compared with 2,264,000 barrels in the preceding month and 2,246,000 barrels a year ago. Should the present trend in consumption continue, domestic stocks may decline to the point where prices will be favorably affected.

COFFEE

With about 100 contracts changing hands, coffee futures were unchanged to 7 points lower. The most distant option reached a new high for the season in the early part of the week, when prices were rallying on somewhat better trade news. Current prices, however, are only slightly above the all-time lows reached a few weeks ago.

According to official figures, 1,069,000 bags of coffee were delivered in this country during May, a decline of about 40,000 bags as compared with the previous month and slightly under a year ago. One of the principal reasons for the poor action of coffee prices is the large stocks available both in this country and abroad. On June 1 domestic visible stocks totaled 1,640,000 bags, largest for that date since 1933 and almost 200,000 bags above a year ago. With consumption on the downgrade and stocks increasing, prices will have a hard time unless given artificial support.

Despite Brazil's plan to abandon all coffee control schemes late in 1937, there are numerous indications that she may soon revert back to her original program. On the last day of May it was revealed that Brazil would pay 100 milreis per tree to any planter who would uproot his whole plantation. Non-volunteers would be placed under a sacrifice quota of 25 per cent for four years with an option of a fixed cash payment for every bag of coffee not delivered. Passage of the final legislation is expected to result in the uprooting of 500,000,000 trees, or almost 40 per cent of all those growing at present. Other schemes are also under discussion such as the confiscation of all surpluses on the market at a payment of 55 milreis per bag.

The remarkable aspect of the newest agitation for coffee control is that it comes less than three years after Brazil abandoned a plan that operated for thirty years with little success. Perhaps this indicates the trend of the times in that such matters are handed over for government control instead of being permitted to adjust themselves in the normal manner. We are inclined to believe that if the trend toward centralized control goes much farther future generations will have no more backbone and initiative than the common jellyfish.

LA RUE APPLEGATE.

COMMODITY FUTURES PRICES (Grains at Chicago; Others at New York)

Daily Range

Cotton—New:	July.	October.	December.	January.	March.	May.
	High.	Low.	High.	Low.	High.	Low.
June 3.....	9.58	9.50	8.62	8.56	8.54	8.48
June 4.....	9.54	9.47	8.60	8.55	8.51	8.47
June 5.....	9.50	9.45	8.56	8.45	8.47	8.36
June 6.....	9.55	9.48	8.56	8.42	8.47	8.36
June 7.....	9.82	9.70	8.71	8.59	8.64	8.52
June 8.....	9.75	9.74	8.69	8.63	8.60	8.55
June 8 close.....	9.78	9.69	8.69	8.60	8.51	8.39 t
Week's range.....	9.82	9.45	8.71	8.42	8.64	8.26
Previous week.....	9.85	9.49	8.94	8.42	8.36	8.78
Contract range {	10.82	7.90	10.29	8.26	10.18	8.33
range { Ja. 3 Se. 1 Ap. 17 No. 1 Ap. 17 Je. 6 Ap. 17 Je. 6 Ap. 17 My. 18 My. 17 My. 18						

Old and New Contracts: Traded week ended Friday, June 7, 411,900 bales; previous week, 445,000; year ago, 560,400.

Daily Range

Wheat:	July.	Sept.	Dec.	Cotton— July (Old).
	High.	Low.	High.	Low.
June 3.....	82%	81%	82%	83%
June 4.....	82%	80%	80%	83%
June 5.....	80%	78%	81%	78%
June 6.....	79%	78%	80%	79%
June 7.....	81%	79%	80%	81%
June 8.....	81%	79%	80%	81%
June 8 close.....	80%	78%	80%	81%
Week's range.....	82%	78%	82%	83%
Previous week.....	85%	81%	85%	81%
Week June 10, 1939.....	77%	74%	77%	76%
Contract range {	1.11%	.74%	1.11%	.74%
range { Ja. 3 Ap. 22 My. 18 Ap. 18 My. 18 My. 27 Je. 5 Ja. 3 Se. 1				

Wheat: Traded week ended Friday, June 7, 70,853,000 bushels; previous week, 59,518,000; year ago, 94,566,000.

Weekly Range

Week Ended June 8, 1940	Week Ended June 1, 1940	Contract Range		Week Ended June 10, 1939
	High.	Low.	High.	Low.
Corn:				
July.....	.63 1/2	.61	.62 1/2 t	.63% 50%
Sept. ....	.62	.59%	.61 t	.60% 51%
Dec. ....	.60 1/2	.58%	.59 t	.59% 51%
*Bushels traded 14,468,000		10,835,000		24,124,000
Oats:				
July.....	.33 1/4	.33 1/4	.33 1/4 t	.34% 32%
Sept. ....	.31 1/4	.31 1/4	.31 1/4 t	.32% 31%
Dec. ....	.32 1/2	.32 1/2	.32 1/2 t	.32% 32%
*Bushels traded 1,484,000		2,288,000		10,967,000
Rye:				
July.....	.45	.44 1/2	.44 1/2 t	.47% 50%
Sept. ....	.46 1/2	.46 1/2	.46 1/2 t	.46% 51%
Dec. ....	.48 1/2	.48	.48 1/2 t	.50% 53%
*Bushels traded 4,962,000		2,754,000		4,766,000
Cocoa:				
July.....	4.73	4.50	4.58 n	4.85 4.16
Sept.	4.88	4.59	4.66 t	4.90 4.36
Dec.	4.94	4.68	4.76 n	5.00 4.44
Mar.	4.74	4.73	4.79 n	4.79 4.54
May.....	4.93	4.79	4.86 n	5.05 4.59
Contracts traded 786		845		1,491
Coffee—A (No. 7):				
July.....	3.95 n		4.85 Sept. 12	3.70 May 16
Sept.	3.98 n		4.32 Feb. 1	3.70 May 16
Dec.	4.00 n		4.46 Feb. 21	4.05 May 31
Contracts traded 3				
Coffee—D (Santos No. 4):				
July.....	5.86	5.72	5.78 n	5.88 5.95
Sept.	6.00	5.84	5.91 t	6.01 6.00
Dec.	6.16	5.97	6.07 t	6.17 6.09
Mar.	6.26	6.16	6.18 n	6.15 6.10
May.....	6.30	6.25	6.27 n	6.30 6.14
Contracts traded 98		83		303
Copper:				
July.....	10.36	10.23	10.40@10.45	10.30 9.25 Aug. 31
Sept.	10.45	10.29	10.45@10.46	10.38 9.27 Feb. 9
Dec.	10.45	10.29	10.48@10.51	10.40 9.90 Feb. 9
Mar.	10.40	10.30	10.48@10.50	10.00 9.90 May 22
May.....	10.40	10.34	10.48@10.50	10.38 10.34 June 5
Contracts traded 244		90		352
Cottonseed Oil:				
July.....	6.11	5.90	6.08@6.11	6.20 6.54
Sept.	6.17	5.91	6.14 t	6.28 6.58
Oct.	6.19	5.95	6.16 t	6.28 6.70
Dec.	6.21	5.99	6.18@6.20	6.27 6.60
Jan., 1941.....	6.23	6.00	6.20@6.23	6.34 6.20
Contracts traded 495		347		373
Hides:				
June.....	9.80	9.25	9.58 n	10.09 11.08
Sept.	10.15	9.29	9.75@9.80	10.37 11.13
Dec.	10.33	9.51	9.95@10.00	10.56 11.44
Mar.	10.44	9.84	10.17 n	10.75 11.44
June, 1941.....	10.39 n			
Contracts traded 781		754		774
Rubber:				
July.....	21.30	20.68	21.23@21.25	21.52 16.23
Sept.	19.55	18.92	19.55 t	19.45 16.30
Dec.	18.98	18.38	18.90 t	18.75 16.32
Mar.	18.50	18.23	18.35 n	18.75 16.39
May.....	18.28 n			
Contracts traded 465		589		301
Sugar—No. 3 ("U. S."):				
July.....	1.85	1.78	1.81@1.83	1.87 1.97 1.89
Sept.	1.85	1.83	1.87@1.88	1.83 2.01 1.94
Jan.	1.89	1.81	1.88@1.89	1.87 1.72 1.95
Mar.	1.91	1.84	1.90@1.91	1.92 2.04 2.00
May.....	1.95	1.88	1.94@1.96	1.94 1.88 2.04
Contracts traded 666		1,233		2,048
Sugar—No. 4 ("World"):				
July.....	1.30	1.18	1.22 @1.23	1.27 1.01% 1.25
Sept.	1.25	1.14	1.18 @1.18	1.23% 1.06% 1.23
Dec.	1.29	1.20%	1.24@1.23	1.28 1.07% 1.21
Mar.	1.25%	1.21	1.24@1.25	1.26% 1.06% 1.21
July, 1941.....	1.27 n			
Sept., 1941.....	1.29 n			
Contracts traded 353		549		160
Wool Tops:				
July.....	97.3	89.0	96.5@96.7	90.0 84.7 116.5
Oct.	96.0	87.8	94.8 t	87.7 101.0 100.0
Dec.	95.0	87.4	93.8@93.9	87.3 92.5 99.5
Mar.	94.1	86.8	93.6@93.6	87.0 82.3 99.0
May.....	91.7	90.8	93.2@93.4	91.7 90.8 90.8
Pounds traded	6,615,000		3,305,000	1,035,000

CLOSED SATURDAYS: Silk, permanently; cocoa, coffee, sugar, June to September, inclusive.
a Asked. n Nominal. t Traded. @ Bid and asked. *Week ended Friday. \$1939.

JUN 13.

Recent Sharp Advance in Canadian Production Indices

A Statistical Aberration

WHAT with Italy in the war and the Nazis continuing their advance toward Paris, it is almost impossible to get interested or to maintain reader interest in the statistical aspects of the Canadian war effort. Nevertheless, the business situation saw some statistical improvement during April, as shown in the accompanying chart and table. The principal economic changes occurred in production, retail trade, employment, construction and foreign trade. The gains in external commerce were particularly great, but largely artificial because of the change in the period for which export and import figures were collected. This artificiality was transmitted to the Dominion Bureau of Statistics industrial production index, which rose to a new all-time high record.

RECENT ECONOMIC CHANGES IN CANADA (1926=100)

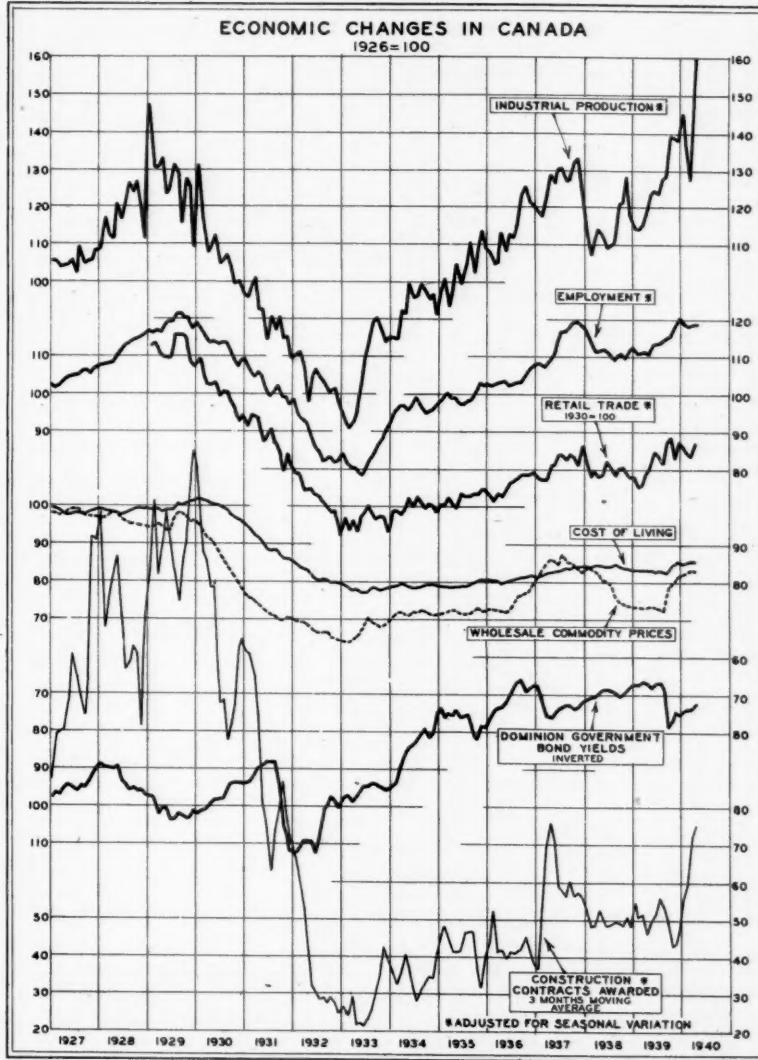
	Apr.	Mar.	Feb.	Apr.
1940.	1940.	1940.	1939.	
Industrial production	159.8	127.0	136.2	119.1
Retail trades	17.1	85.6	84.4	78.0
Employment	118.7	118.5	118.2	110.3
Wholesale commodity prices	83.1	83.2	82.8	73.4
Cost of living	85.7	85.2	85.1	83.1
Cost of living	85.6	85.7	85.2	83.1
Govt. bond yields	72.4	73.4	73.4	67.5
Construction	91.3	63.5	62.6	47.0
Exports	135.2	82.8	86.3	82.1
Imports	122.6	79.0	98.6	59.8

1930=100. *First of following month. †Index for May, 1940, is 71.4.

Not so, however, with the retail trade and construction returns. Retail sales expanded sharply to the best levels since last September, finally reflecting the increased purchasing power generated by armaments spending and the gradual gain in employment and payrolls. The gain in the Dominion Bureau of Statistics retail trade index came to 4 per cent for the month; the gain over the corresponding month of last year was 10 per cent. The bureau's report covers twelve "lines" of products, of which only three were lower in sales volume than they were in April, 1939. Boot and shoe sales were 3 per cent below last year's level, variety store sales 1 per cent and candy sales 42 per cent. The decline in candy sales was largely accounted for by the different dates of Easter, the candy business being particularly sensitive to Easter trade.

The more important advances came in music and radio store sales (perhaps as a result of interest in the latest war news), 28 per cent; furniture and hardware, 14 per cent, and department stores, 10 per cent.

Perhaps one of the most significant trends shown in our economic changes chart is the lag in retail sales behind employment and industrial production. Even



when retail trade is considered in terms of physical volume—this may be done by dividing the retail trade index by the cost of living index (converted to the same base period as that of retail trade, 1930)—the lag is still prominent. This is not of course a new development. It has been going on for the last several years. It brings up the grave question of whether or not the rapid and broad industrial expansion of Canada is bringing with it a

corresponding advance in the standard of living of the average Canadian. Obviously, the produce of the factories must eventually be reflected in the increased turnover of goods in the retail stores. That such increased turnover has not occurred may be attributable to a number of factors, including the lag in farm income, an expansion in the production of capital goods and of minerals, largely for export. Much of the increased industrial output

has also gone into export. This is particularly true of the more recent period. And finally, the increased productivity of labor characteristic of our times has enabled a much sharper rise in production per employee, the saving involved not having been wholly passed on to the consumer or the employee.

During April construction work advanced rather substantially to almost \$26,000,000 worth, more than double the preceding month's figure; and in May there was a further advance to \$28,100,000 of contracts awarded. This was the best figure since June, 1937. A great deal of this construction must have been work done on governmental military (including aviation) projects. At least to judge from the newspapers this must have been the case, for the government has become thoroughly aroused to the necessity of greater aid to the Allies. Regardless of the cause, construction reached 90 per cent of the 1926 level in April—this despite the fact that construction is a peacetime industry.

The gain in employment more accurately measures the month's industrial expansion than does the production index itself. This gain was moderate, the Dominion Bureau of Statistics index having risen to 118.7 per cent of the 1926 level on May 1, 1940, from 118.5 on April 1. Employment in manufacturing establishments rose from 124.4 on April 1 to 124.8 on May 1, as compared with a rise in manufacturing production to 142.4 in April from 123.8 in March. The mineral production index showed the wildest sort of movement, advancing to 318.7 in April from the March figure of 185.7 and in great contrast to the almost infinitesimal rise in the mining employment index to 170.3 on May 1 from 170.2 on April 1. The real measure of business activity during April is undeniably the employment index.

Such price factors as wholesale commodities, retail prices (the cost of living) showed little change during the month. Price stability under present circum-

THE ANNALIST INDEX OF CANADIAN BUSINESS ACTIVITY

(Adjusted for seasonal variation and long-time trend)

Freight car loadings	69.3	66.2	62.3
Electric power production	87.6	83.3	84.4
Automobile production	74.3	77.0	55.0
Newspaper production	68.5	76.3	63.6
Steel ingot production	112.3	121.0	81.5
Pig iron production	110.2	117.2	61.9
Copper exports	253.5	116.8	212.8
Nickel exports	217.3	102.0	108.6
Coal production	115.9	117.9	90.9
Rubber imports	81.1	46.3	37.5
Cotton imports	155.5	65.7	
Flour production	98.0	94.5	88.0
Cattle slaughtered	51.8	61.6	106.1
Hogs slaughtered	168.4	172.5	110.7
Board and plank exports	132.2	81.8	106.1
Building permits	28.2	27.1	26.5
Combined index	89.4	82.9	74.3

*Preliminary. †Revised.

Week Ended

Transactions on the Montreal Exchange

Saturday, June 8

STOCK EXCHANGE STOCKS			STOCK EXCHANGE STOCKS			STOCK EXCHANGE STOCKS			STOCK EXCHANGE BANKS			STOCK EXCHANGE BANKS			CURB MARKET STOCKS			CURB MARKET MINING STOCKS		
Sales.	High.	Low.	Last.	Sales.	High.	Low.	Last.	Sales.	High.	Low.	Last.	Sales.	High.	Low.	Last.	Sales.	High.	Low.	Last.	
10 Acme Glove	3	3	3	385 Dom Tar.	3%	3%	3%	633 N Brew.	28%	27%	27%	1 Dom Scotia	295	295	295	255 Com Al...	2	1.80	2	1.80
5 Agnew	10	10	10	801 Dom Tex.	72%	72	72	455 N St. Car.	40%	35	35	118 Royal	162	156	162	2,942 Cna Pap...	4%	3%	3%	500 Aldermac...
15 Agnew pf.	107	107	107	7 Dom Tex pf150	149	150	150	35 Nt. Wire.	23	23	23	2,550 Dom Can	95%	90%	90%	500 Beaufr...	.04	.04	.04	500 Beauf...
25 Asbes	8	8	8	155 Dryden	5	4%	5	736 Norland	50	47%	49	\$2,550 Dom Can	52	34%	96%	1,500 BidgoodKirk...				
1,085 Asbes	18	17	17	5 East Dair.	.65	.65	.65	113 Ogilvie	25	23	23	\$100 Dom Can	4%	90%	90%	1,500 Bous Cad...				
65 A Brew.	13	13	13	95 Electr.	8	8	8	100 Ott. Pow.	7	6%	7	1,429 Dom Can	4%	108%	108%	6 Dom Eng...				
1,200 Bathurst.	9	8	8	355 Fndtn	7%	6%	7	9 Ott. Pow.	12	12	12	1,429 Dom Can	4%	108%	108%	2 Dom Eng...				
456 Bell.	151	150	150	75 Gatineau	114	114	114	9 Ott. Pow. pf	90	90	90	10 E Dairy pf.	3%	3%	3%	5 Dom Eng...				
1,410 Brazil.	6%	5%	5%	60 Bruck.	4%	4%	4%	449 Pow Corp.	7	6	6	5 Dom Eng...	5	4%	5	5 Dom Eng...				
486 B C Pw.	26	25	26	5 Gatinet.	2	2	2	2,100 Price Pw.	11%	10	10%	1,429 Dom Can	4%	108%	108%	5 Dom Eng...				
370 Can S S pf.	1114	1114	1114	5 Gatinet.	2	2	2	60 Price pf.	61	60	61	3,525 Abitibi	1.25	1.00	1.05	5 Dom Eng...				
50 Cdn Brnz.	33	32	32	340 Hud B Min	21	20	21	355 Dom Can	92	89	89	3,525 Abitibi	1.25	1.00	1.05	5 Dom Eng...				
1,515 Cdn Car.	6%	6%	6%	75 Shewbridge	8	7%	7%	575 Aluminum	92	89	89	575 Aluminum	3%	3%	3%	5 Dom Eng...				
625 Cdn Car pf.	10	9	9	1,870 Imp. Twp.	12%	12%	12%	115 Bathurst	2%	2%	2%	2,550 Dom Can	2%	2%	2%	5 Dom Eng...				
1,470 Cel.	254	23%	24%	228 Dom Abc.	6%	6%	6%	118 Burwash	2%	2%	2%	255 HilcrestC pf	2%	2%	2%	5 Dom Eng...				
75 Cel pf.	106	106	106	163 Ind. Accep.	22	20%	20%	118 Burwash	2%	2%	2%	7,000 Joliet Que.	1.00	1.00	1.00	5 Dom Eng...				
65 Chvrts.	15	14	15	25 Int. Bronze	16	16	16	118 Burwash	2%	2%	2%	15 I Paint pf.	13	13	13	5 Dom Eng...				
90 C F Inv.	9	9	9	3,793 Nickel	30	28	30	500 St. Corp.	2%	2%	2%	2,164 Ba Oil	1.35	1.35	1.35	5 Dom Eng...				
405 Alcohol A.	1.85	1.85	1.85	976 Int. Pete.	16	15	15%	500 St. Corp.	12%	11%	11%	500 St. Corp.	12%	11%	11%	5 Dom Eng...				
75 Alcohol B.	2	2	2	15 Int. Pow.	2	2	2	270 Un Steel	3%	3%	3%	22 Cal Pw pf.	94	94	94	5 Dom Eng...				
25 Cdn Loc.	8	8	8	50 Int. Pow.	80	80	80	35 C Vin...	6	6	6	75 Can Sug...	29%	25	25	5 Dom Eng...				
3,181 C P R.	4%	4%	4%	2,154 Lake Wds.	10	10	10	35 C Vin...	6	6	6	15 C N Pw pf.	90	90	90	5 Dom Eng...				
145 Cockshut.	5	5	5	50 Int. Pow.	80	80	80	3,525 Dom Can	20%	20%	20%	2,154 MacLaren	10%	10%	10%	5 Dom Eng...				
901 Sust.	30%	29%	29%	50 Legare pf.	3%	3%	3%	3,525 Dom Can	20%	20%	20%	2,000 Pato...	.02	.02	.02	5 Dom Eng...				
1,104 Sustagram.	22%	22	22	465 Massey	3%	2%	2%	3,525 Dom Can	20%	20%	20%	2,000 Pato...	2.00	1.75	1.75	5 Dom Eng...				
355 Dom Brid.	24%	24	24	90 McCall.	5%	5%	5%	3,525 Dom Can	20%	20%	20%	200 Pend Oreill...	1.25	1.25	1.25	5 Dom Eng...				
435 Dom Coal pf	17	16%	17	5 M Cott pf.	1104	1104	1104	335 Dom Brw	25%	24%	24%	3,525 Dom Can	20%	20%	20%	5 Dom Eng...				
25 Dom Gls.	113	113	113	2,154 Mtli Pow.	28	26%	26%	2,154 Mtli Pow.	10	10	10	1,315 Melch pf...	4%	3%	3%	5 Dom Eng...				
1,771 Dom S&C B	7%	7%	7%	75 Mtli Tram.	44	40	40	2,154 Mtli Pow.	10	10	10	1,315 Melch pf...	4%	3%	3%	5 Dom Eng...				
				239 Mtli	198	194	197	25 Catellif pf.	10	10	10	1,315 Melch pf...	4%	3%	3%	5 Dom Eng...				

stances is rather unusual, though none the less welcome. It attests to the efficiency of governmental efforts to prevent profiteering, but more important to the loss of a large number of important export outlets which have been offset by the creation of new and additional demands for Canadian goods from the Allies and from the Canadian Government. Dominion Government bonds were firm during April, but this strength dissipated in May and June.

A reappraisal of the Canadian business situation is especially timely at the present moment. Two factors point to some sort of decline in industrial production, especially of durable consumers' goods, and the third may operate to bring about a widespread business depression. The break in stock prices is always associated with an approaching business recession. In the present instance the market's decline can affect only consumers' goods, largely of the durable and luxury variety. Such a recession would be mitigated by the government's rearmament program and would also help the Ottawa officials bring about reduced consumption, which is the second factor tending to depress the consumers' goods industries.

But most important of all is the possibility of an Allied defeat, a possibility that is brought perilously near with the Italian entrance into the conflict. In the event of an early peace, what would hap-

FREIGHT CAR LOADINGS

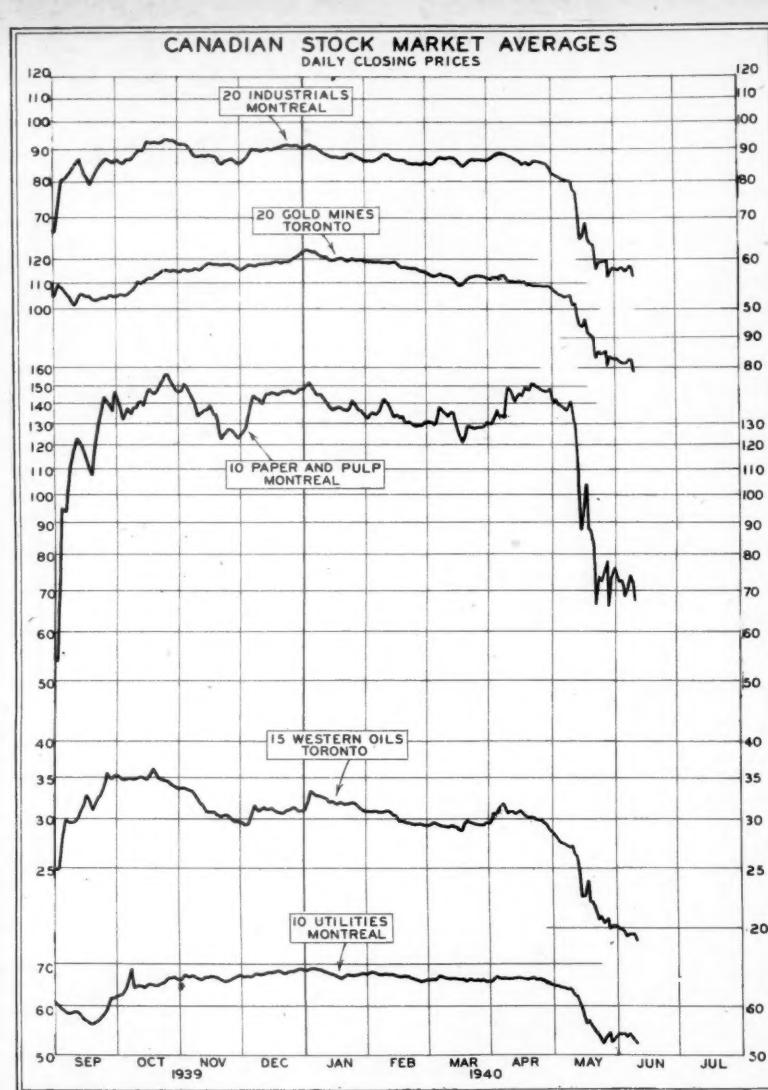
		Week Ended		
		June 1, 1940	May 25, 1939	June 3, 1939
Grain and products	9,376	6,071	4,669	
Livestock	1,285	1,115	1,059	
Coke	5,636	4,766	5,566	
Lumber	405	378	349	
Pulpwood	3,302	2,908	1,977	
Pulp and paper	1,488	1,105	937	
Other forest products	2,747	2,928	1,632	
Ore	1,727	1,598	1,857	
L. c. l. merchandise	3,488	3,292	2,875	
Miscellaneous	13,175	12,264	12,434	
Total	56,459	49,919	43,935	
Total	90.5	85.2	70.4	

1939-1940: adjusted for seasonal variation.

Dominion Bond Prices and Yields

Based on Opening Bid Prices)	Prices			Yields		
	Long	Short	Average	Long	Short	Average
May 30, 1940	101.09	102.10	101.99	3.39	1.92	2.70
May 31, 1940	101.18	102.05	101.90	3.40	1.93	2.72
June 1, 1940	101.05	101.97	101.97	3.41	1.89	2.72
June 2, 1940	101.05	101.97	101.97	3.41	1.89	2.72
June 3, 1940	101.05	101.97	101.97	3.41	1.89	2.72
June 4, 1940	101.05	101.95	101.98	3.41	1.89	2.71
June 5, 1940	101.00	101.95	101.99	3.41	1.82	2.71
June 6, 1940	101.04	101.85	101.99	3.41	1.82	2.71
June 7, 1940	101.06	101.03	102.01	3.41	1.78	2.70
June 8, 1940	101.08	101.03	102.01	3.40	1.78	2.70

Source: A. E. Ames & Co.



pen to Canadian industry? Undoubtedly, business depression would ensue with the sudden cessation of war orders from abroad. But the necessity of the Canadian Government to rearm would still be evident, although it is to be doubted that this alone would take up the slack. The

termination of the war would certainly make for business recession, but this depression is likely to be short-lived because of the approaching American armaments boom as well as the continuation of the Canadian defense program.

S. L. MILLER.

Week Ended

Transactions on the Toronto Stock Exchange

Saturday, June 8

CANADIAN STOCKS

INQUIRIES INVITED

A. E. AMES & CO.
INCORPORATED

TWO WALL STREET, NEW YORK

STOCK EXCHANGE STOCKS		STOCK EXCHANGE STOCKS		STOCK EXCHANGE STOCKS		STOCK EXCHANGE STOCKS	
Sales.	High.	Low.	Last.	Sales.	High.	Low.	Last.
1,398 Cons. Smett	30%	29%	30	3,500 *Highwood.	10	9	9
72 Consu Gas.	155	155	155	20 H. & Dauch	9	9	9
7 Cosm.	22%	22%	22%	2,235 *Hollinger	1015	985	1000
50 *Cub Alrcr.	85	85	85	14,635 *Home Oil.	149	135	140
7,800 *David Pet.	17	15	17	2,000 *Homestead	2	1%	1%
500 *Denison	3	3	3	3,000 *Howard	26	25	25
2,068 Cons. Seagr.	22%	22%	22%	2,300 *Noranda	49	47%	49
2,025 Dom. Corp.	17	17	17	5,100 *Normal.	30	28	28
45 Dom. Bank.	184	184	184	1,300 *Norfolk	21	20	21
15 Dom. Coal pf.	17%	17%	17%	1,300 *Norfolk Can.	30	30	30
948 Dom. Fdry.	21	20	20	1,300 *O'Brien	58	58	58
10 Dom. Fdy pf.	103%	103%	103%	1,300 *O'Brien	70	70	70
1,705 Dom. Stl.	7%	7%	7%	5,300 *Omega	65	65	65
150 Dom. Stl.	3%	3%	3%	5,300 *Omega	15	13	15
10 Dom. T. & T.	7%	7%	7%	2,800 *Orn. Plata.	22	20	20
10 Algo. Sil	7%	8%	8%	166 Page Hers.	95	95	95
1,100 *Amm Gold	1%	1%	1%	166 Page Hers.	95	95	95
8,700 *Anglo Can.	45	45	45	60 Pantere	34%	34%	34%
500 *Arnfeldt	5	5	5	5,400 *Partian	31%	31%	31%
1,000 *Ashley	2%	2%	2%	28,300 *Paymaster	200	21	21
5,100 *Aust. Corp.	103	99	100	7,291 *Pain Oil.	10%	10%	10%
2,500 *Bagnall	5%	4%	4%	100 Dom. Fdy.	20%	20%	20%
4,200 *Bankfield	9	9	9	545 Dom. Fdy.	13	12	12
66 Bank Mont.	193	197	197	100 Int. Met. A.	6	6	6
35 Bk of N. S.	290	295	295	15 Int. Met. pf.	90	90	90
11 Bank Tor.	220	220	220	120 Dom. Stl.	16	15	15
22 Barkers pf.	25	25	25	15 Int. Pet.	16	15	15
6,700 *Barron	14	14	14	1,300 *Lamont G.	585	585	585
6,700 *Bear Met.	9	12	12	4,020 *Premier	80	80	80
2,000 *Bear P.	8%	8%	8%	500 *Premier Met.	6	6	6
11,325 *Beattie G.	85	85	85	2,540 *Ventures	210	195	200
15 Beatty A.	4%	4%	4%	2,900 *Vermilata.	13	10%	11
276 Beauharnois	4%	4%	4%	3,588 *Waite Am.	305	275	305
327 Bell Phone.	152	151	151	1,300 *Walker	32%	30%	31
50,800 *Bridgwood K	13%	14	14	\$4,150 *War L.	52	99%	99%
6,700 *Bobo	5	5	5	2,000 *Wendigo	87%	87%	87%
1,920 *Borden	5%	5%	5%	5,500 *Ymir Yank	6%	6%	6%
375 Bross. Cd pf.	20%	20%	20%	120 York Knit.	6	6	6
2,630 Brazil Tr.	5%	5%	5%				
70 Brew & Dis.	3%	3%	3%				
2,368 B. A. Oil.	15%	15%	15%				
300 B. C. Pow.	26%	26%	26%				
36,550 *Broulan.	34	28	33				
4,000 *Brown Oil	6%	6%	6%				
280 C. Hrd. Corp.	30%	30%	30%				
1,300 C. Hrd. Corp.	3	3	3				
1,300 C. Hrd. Corp.	3	3	3				
9,038 *Hard Rk.	70	65	70				
5,000 *Conis. B.	110	111	111				
9,000 *Cal. & Ed.	110	111	111				

STOCK EXCHANGE STOCKS		STOCK EXCHANGE STOCKS		STOCK EXCHANGE STOCKS		STOCK EXCHANGE STOCKS	
Sales.	High.	Low.	Last.	Sales.	High.	Low.	Last.
1,398 Cons. Smett	30%	29%	30	814 Nat. Stl. Gas.	40%	39	40%
72 Consu Gas.	155	155	155	1 Nat. Trust.	188	188	188
7 Cosm.	22%	22%	22%	15,100 *Naybob	15	13	14%
50 *Cub Alrcr.	85	85	85	6,000 *Newbec	2%	2%	2%
7,800 *David Pet.	17	15	17	5,100 *Noranda	49	47%	49
500 *Denison	3	3	3	2,300 *Normal.	30	28	28
2,068 Cons. Seagr.	22%	22%	22%	1,300 *Normal.	30	28	28
2,025 Dom. Corp.	17	17	17	1,300 *Normal.	30	28	28
45 Dom. Bank.	184	184	184	1,300 *Normal.	30	28	28
15 Dom. Coal pf.	17%	17%	17%	1,300 *Normal.	30	28	28
948 Dom. Fdry.	21	20	20	1,300 *Normal.	30	28	28
10 Dom. Fdy pf.	103%	103%	103%	1,300 *Normal.	30	28	28
1,705 Dom. Stl.	7%	7%	7%	1,300 *Normal.	30	28	28
150 Dom. Stl.	3%	3%	3%	1,300 *Normal.	30	28	28
10 Dom. T. & T.	7%	7%	7%	1,300 *Normal.	30	28	28
10 Algo. Sil	7%	8%	8%	1,300 *Normal.	30	28	28
1,125 Dom. Corp.	4	4	4	1,300 *Normal.	30	28	28
17,063 *Castile Tr.	59	59	59	1,300 *Normal.	30	28	28
17,570 *Centr. Pat.	162	168	168	1,300 *Normal.	30	28	28
2,800 *Centr. Pore	6%	5%	5%	1,300 *Normal.	30	28	28
18,150 *Gold Gate	10%	9%	9%	1,300 *Normal.	30	28	28
25 Goodyear	65	65	65	1,300 *Normal.	30	28	28
8,000 *Grah. Bous	1%	1%	1%	1,300 *Normal.	30	28	28
1,500 *Grandoro	4	4	4	1,300 *Normal.	30	28	28
125 Gr. Dredge	34%	34%	34%	1,300 *Normal.	30	28	28
132 Gr. L. pf.	16%	15	15	1,300 *Normal.	30	28	28
10 Great West.	2%	2%	2%	1,300 *Normal.	30	28	28
7,900 *Gunnar	37	35	35	1,300 *Normal.	30	28	28
625 Gypsum	3%	3%	3%	1,300 *Normal.	30	28	28
1,500 *Halter Swa.	1	1	1	1,300 *Normal.	30	28	28
1,500 *Hollard Well.	1%	1%	1%	1,300 *Normal.	30	28	28
455 Hm Bridge.	3%	3%	3%	1,300 *Normal.	30	28	28
1,300 Hrd							

Financial News of the Week

THE Union Oil Company of California earned only \$766,000 during the first quarter of the present year, or the smallest for any quarterly period since the first three months of 1936 and comparing with \$1,055,000 in the first quarter of 1939. Common-share earnings totaled 16 cents in the first quarter of this year as contrasted with 23 cents in the comparable period of last year. The experience of Union Oil is contrary to that of the industry since combined profits of six leading companies in the first quarter were the largest since the middle of 1937.

The unfavorable showing of Union Oil reflects unsettled retail gasoline prices on the West Coast, a decline in "off-shore" shipments and a relatively poor domestic sales curve. The company is the second largest petroleum enterprise on the Pacific Coast and engages in all branches of the industry. In recent years all production facilities have not been used because of voluntary curtailment programs.

For all of last year the company had total sales of \$75,101,000, the smallest since 1936 and comparing with \$76,891,000 in the previous year. In 1930—peak year for the enterprise—sales aggregated almost \$89,000,000. Net profits in 1939 were \$5,846,000, or \$1.25 a common share, and the lowest since 1935. In 1938 the company cleared \$6,863,000, equal to \$1.47 a share.

The accompanying table gives important items from the annual reports of the company since 1929.

Thanks to the relatively high level of general business on the Atlantic seaboard during the first quarter, profits of the Atlantic Refining Company soared to the highest level since the middle of 1933, after allowance for seasonal factors. Actual earnings were \$3,123,000, or \$1.12 a common share, as contrasted with only \$537,000, equal to 15 cents a share, in the first quarter of 1939. Total operating revenues were placed at \$35,989,000 in the first quarter, a gain of more than 20 per cent as compared with \$29,821,000 in the similar period of last year.

For all of 1939 the company reported net profits of \$5,023,000, or \$1.66 a common share, as compared with \$4,311,000, equal to \$1.40 a share, in 1939. Gross sales last year were \$126,903,000, the largest since 1929 with the single exception of 1937, when sales were \$131,217,000.

Important items from the annual reports of the company since 1929 were given in THE ANNALIST of July 6, 1939.

With the exception of the preceding period, profits of the Phillips Petroleum Company in the first quarter of this year were the largest since the end of 1937. Actual earnings were \$3,287,000, or 74 cents a common share, as contrasted with \$1,486,000, equal to 33 cents a share, in the first quarter of 1939. Operating more than 14,000 retail outlets, Phillips Petroleum benefited by the improved business conditions existent throughout the Middle West and Mississippi River Valley in the first quarter.

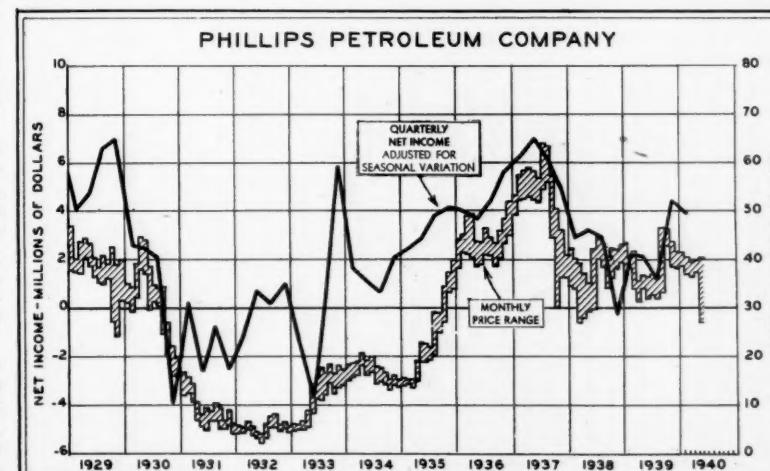
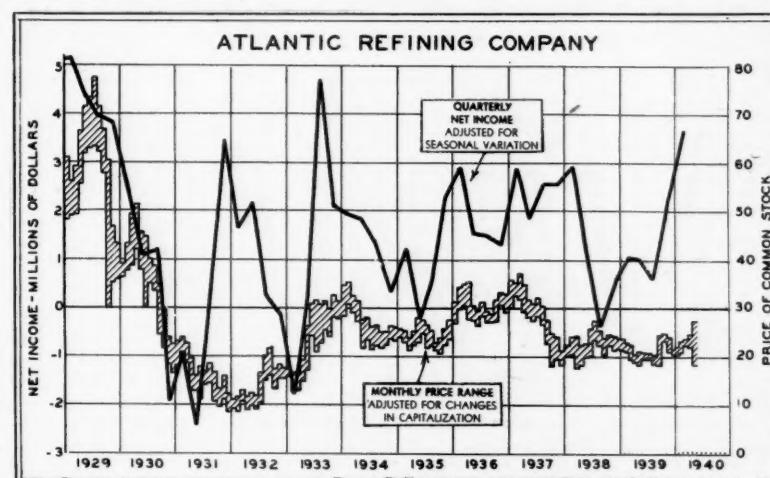
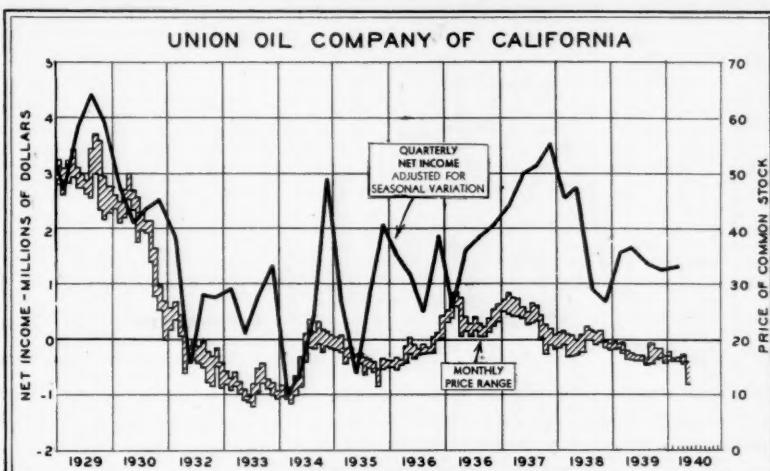
For all of last year the company reported gross operating income of \$112,929,000, largest in the history of the company with the exception of 1937 and comparing with sales of \$111,899,000 in 1938. In 1929 sales barely exceeded the \$50,000,000 mark.

Last year the company redeemed about

LIQUOR WINE BEER
LICENSES

NOTICE is hereby given that liquor license #RW941 has been issued to the undersigned to sell wine and beer at retail in a restaurant under the Alcoholic Beverage Control Law at 1311 Madison Ave., City New York, New York for on-premises consumption.

CHRIST KAMAGES,
1311 Madison Ave., New York City.

Union Oil Company of California
(Thousands)

Years End, Dec. 31:	Sales	Depl. & Deprec.	Net Income	Interest Earned	Times Earned a Share.	Cash Dividends	Surplus for Year.
1929	\$88,865	\$14,814	\$15,020	\$1,035	15.5	\$3.56	\$7,033
1930	88,975	9,145	9,605	1,541	7.2	2.19	8,567
1931	61,625	7,011	*3,055	1,880	2.8	0.73	8,772
1932	58,391	6,918	3,211	1,595	3.0	0.73	5,262
1933	51,126	6,666	1,954	1,501	2.3	0.45	4,386
1934	57,368	6,798	2,903	1,249	3.3	0.66	4,386
1935	61,170	2,282	5,038	1,063	5.7	1.55	4,386
1936	65,131	8,802	6,133	916	7.6	1.40	4,386
1937	63,627	9,673	12,161	888	14.5	2.58	6,465
1938	76,891	9,427	6,863	836	9.2	1.47	5,600
1939	75,101	10,030	5,846	1,173	5.9	1.25	6,066

Years End, Dec. 31:	Invested Capital	% Earn. on Capital	% Earn. on Properties	% Earn. on Prop. Equivalent	Cash & Equivalent	Working Capital	Current Capital	P. & L. Surplus
1929	\$199,254	8.1	\$138,860	11.6	\$13,202	\$58,293	7.65	\$29,197
1930	212,470	5.2	149,178	7.5	17,932	61,080	9.33	29,905
1931	197,227	2.4	147,888	3.2	16,764	47,670	10.61	17,170
1932	191,934	2.5	144,881	3.3	16,462	45,740	8.94	14,144
1933	183,399	1.9	139,739	2.5	16,386	42,640	7.93	11,737
1934	145,055	2.0	107,956	2.7	10,571	35,577	7.43	10,215
1935	145,299	3.5	108,544	4.6	12,900	35,946	5.59	10,422
1936	145,846	4.2	107,857	5.7	11,740	36,148	5.90	12,160
1937	156,375	7.8	112,175	10.8	18,970	41,888	5.57	17,962
1938	157,628	4.4	115,793	5.9	11,753	39,408	5.83	19,254
1939	177,025	3.3	116,537	5.0	35,301	48,601	5.82	18,661

*Excludes \$7,210,062 unrealized inventory loss. †After drastic adjustments in value of oil lands and development. d Deficit.

\$7,600,000 in serial notes while cash declined from \$28,054,000 on Dec. 31, 1938, to \$11,211,000 at the close of 1939. Net properties, however, were increased to \$175,000,000 as against \$161,000,000 in 1938.

Important items from the annual reports of the company since 1927 were given in the issue of March 22, 1939.

INDUSTRIES

Figures in Parentheses Give Date of Last Previous Item

Allis Chalmers (5-9-40)—Federal Bureau of Reclamation announced award of a \$426,800 contract to company for four transformers for Parker power project.

American Car and Foundry Motors (6-6-40)—A. C. F. Motors Company, subsidiary, announced receipt of orders for 29 a. c. f. \$500,000 factory building for manufacture of resins.

American Cyanamid (1-25-40)—Company has taken title to 118 acres in Wallingford, Conn., upon which it planned to build a \$500,000 factory building for manufacture of resins.

Baldwin Locomotive (4-25-40)—War Department has awarded an educational order to this company for light tank and related items at cost of \$587,694. Recent Latin-American orders total \$260,000.

Standard Oil, Indiana (1-11-40)—This company will appeal decision of Supreme Court Justice Rosenman, New York, holding that it had enriched itself at the expense of American Petroleum and Transport.

The accounting and damage suit brought by minority stock interests of Pan American, in which Standard has a majority interest, was started six years ago. Plaintiffs estimate that \$50,000,000 to \$70,000,000 in damages is involved.

Standard Oil, N. J. (5-30-40)—W. S. Farish, president, has estimated that earnings for the first six months would exceed \$70,000,000, or a trifle less than \$3 a share.

This estimate, he explained, is based on approximate results for the first four months, with May and June predicted on the figures for the first quarter. Earnings of European and some other foreign subsidiaries, for which figures are not available, are excluded from the estimates.

Bath Iron Works—Award of a contract for construction of four single-screw turbine propulsion cargo ships for American Export Lines, Inc., to Bath Iron Works, Bath, Me., at the price of \$2,198,000 per ship was announced by Maritime Commission.

Beech Aircraft (5-9-40)—Company has plans for expansion of production and flying field facilities. Contracts have been signed for the purchase of a 160-acre tract adjoining present holdings.

Bell Aircraft (6-6-40)—A general wage increase of five cents an hour for 1,500 workers has been provided in an amendment to and extension of a contract between corporation and Local 501, United Automobile Workers of America (CIO).

Agreement, which would expire Dec. 31, 1941, also provided vacations with pay for hourly employees who had worked one year, time-and-one-half for overtime work and seniority rights.

Billings and Spencer—Company had a backlog amounting to between \$350,000 and \$400,000. Factory shipments in May, 1940, were largest in history.

Brewster Aeronautical (5-9-40)—Company announced signing of an order for \$26,572,000 of airplanes. Order consisted of fighters and dive bombers for export. These orders brought Brewster's backlog to \$44,628,000. At the end of May, 1940, company's unfilled orders were \$18,056,000, contrasted with \$2,250,000 at the close of May, 1939.

Budd Wheel (2-1-40)—Company has received an order from War Ordnance Agency of Federal Government for smoke shells valued at \$239,466.

Chrysler (6-6-40)—Company has opened two new research buildings which more than double present laboratory equipment.

Colt's Patent Firearms (10-19-39)—Company announced that by July 1, 1940, it will be able to use an additional 100,000 square feet of floor space at its Hartford, Conn., plant.

DIVIDEND NOTICE

DIVIDEND
ARMOUR AND COMPANY
OF DELAWARE

On May 24 a quarterly dividend of one and three-fourths per cent (1 3/4%) per share of the Preferred Capital Stock of the above corporation was declared by the Board of Directors, payable July 1, 1940, to stockholders of record on the books of the company at the close of business June 11, 1940. E. L. LALUMIER, Secretary.

for the production of machine guns and other arms. Space will be obtained by moving the factory's electrical division to unused plant of United States Rubber Company.

Commercial Solvents (11-16-39)—T. P. Walker, president, announced that company had just put into operation at Peoria, Ill., the first plant ever erected for production of nitro-paraffins, after eight years of research and development work.

Curtiss-Wright (5-2-40)—Company is contemplating enlargement of Caldwell-Wright Airport and the construction there of a \$2,000,000 plant, employing 1,000 men, for the production of war planes.

DuPont (5-23-40)—Although it will have no part in the ownership, this company is expected to operate a plant for the Tennessee Power Company, newly organized to manufacture smokeless powder for the British and French Governments.

Construction of the new plant is starting at once with operation scheduled before the end of the year.

Eagle-Picher Lead (11-23-39)—Eagle-Picher Mining and Smelting Company, subsidiary, announced an immediate 50-cent increase of weekly wage of its mine and mill employees, numbering about 1,250. Advance was made in accordance with company's

sliding scale of a 50-cent increase for each fluctuation of \$5 a ton in the price of zinc concentrate.

Electric Boat (4-25-40)—Company has submitted the only bids for three submarines to be built under the regular 1941 naval construction program and offered to build them four months ahead of previous schedules. It bid \$3,547,000 for each of the three on a fixed price basis, or \$2,957,000 each on an adjusted contract arrangement, providing for possible changes in labor and material costs. Company said that it could complete all three in twenty-three months.

Electric Storage Battery (11-30-39)—Approximately 1,700 of 1,850 production employees of company have voted to accept compromise three cents an hour increase in contract renewal which Local 113, United Electrical, Radio and Machine Workers (C. I. O.) had been negotiating for two months.

Fairchild Aviation Corporation (5-23-40)—Unfilled orders were \$1,952,951 on April 30, against \$1,368,234 a year earlier and \$1,923,200 on Dec. 31.

Ferro Enamel (2-15-40)—Company has developed two new domestic clays for use by the porcelain enameling industry, either to replace or supplement the use of German vallendar clay, heretofore widely used by the industry but now unavailable from

abroad. New clays are known as Ferro Green Label and Ferro Black Label clay.

Fruehauf Trailer (4-4-40)—Keeshin Motor Express has ordered twenty-five stainless steel refrigerated trailers from company.

General Cable Corporation (6-6-40)—Special meeting of stockholders to vote on recapitalization has been postponed to July 2, 1940.

General Steel Castings—Company is studying development of certain products which may be utilized in the country's national defense requirements. While details have not been revealed, company has confirmed a report that it had been looking into the possibility of casting steel armor plate.

Goodrich (4-25-40)—Company has begun production of tires from a new synthetic, known as Ameripol and made of domestic raw materials. It is constructing a plant to be ready in the Fall to manufacture Ameripol at the rate of several tons a day.

Inland Steel (5-9-40)—A contract has been awarded to this company for 25,000 tons of rail for lines of the State of Rio Grande do Sul. It was said that five-year Export-Import Bank credit has been arranged.

Lockheed (5-30-40)—Sales for four months ended April 30, 1940, totaled \$12,556,846, compared with \$5,867,777 in the same 1939

period, an increase of 114 per cent. Actual deliveries of airplanes during the four months increased 70 per cent over the corresponding period of last year.

Unfilled orders as of May 15, 1940, totaled \$111,237,000, compared with \$43,953,725 at the beginning of 1940. New orders received by Lockheed since the first of the year amounted to \$80,037,362.

Loft, Inc. (11-9-39)—Pepsi-Cola Company has been directed by Chancellor Harrington, Wilmington, Del., to pay Loft a dividend of 5¢ a share on 147,749 shares of stock held in escrow by Delaware Trust Company.

Melville Shoe (4-11-40)—Indications are that company for initial half of current year will report net income of around \$1,500,000, equal after dividend requirements on the new 5 per cent cumulative convertible preferred stock to about \$1.30 a share on 918,896 shares of presently outstanding common stock. This would compare with net income of \$1,005,948 reported by Melville, exclusive of McElwain, equal after all charges to \$2.44 a share on the 404,722 common shares outstanding as of June 30, 1939.

Menasco (5-23-40)—Unfilled orders total approximately \$1,750,000.

Newport News Shipbuilding and Dry Dock (6-6-40)—This company has a backlog rep-

Dividends Declared Since Previous Issue of The Annalist and Awaiting Payment

Regular		Hldrs.		Hldrs.		Hldrs.		Hldrs.		Hldrs.		Hldrs.		Hldrs.		Hldrs.					
Company.	Rate. Pd.	Pay. of Rec.	Company.	Rate. Pd.	Pay. of Rec.	Company.	Rate. Pd.	Pay. of Rec.	Company.	Rate. Pd.	Pay. of Rec.	Company.	Rate. Pd.	Pay. of Rec.	Company.	Rate. Pd.	Pay. of Rec.				
Adam's Exp.	15c	6-15	First Nat Bk (Dallas, Tex.)	6-26	6-15	First Nat Bk Louisville, Ky.	6-29	6-15	N Y State E&G pf. \$1.375	Q	7-1	6-7	Reliance El & Eng.	25c	6-25	6-15	So Cal Edison pf.	34c	Q	7-15	6-20
Alco & Baldwin Ltd.	35c	50	First Nat Bk Louisville, Ky.	7-1	6-15	First Nat Bk (Pittsburgh, Pa.)	6-15	6-15	Northw. Yearly R.R. pf. \$1.50	Q	6-15	6-15	Reliance Mfg. pf.	51	Q	6-15	SpringfieldG&E pf. \$1.75	Q	6-29	6-14	
Algoa Steel pf.	41c	50	First Nat Bk Louisville, Ky.	7-1	6-15	First N B (Pittsburgh, Pa.)	Q	7-1	6-15	Rensselaer Co B&T(NY) \$2.50	Q	7-1	6-29	Square D pf.	25	Q	7-1	7-15			
Allied Lab.	25c	Q	7-20	7-10	First N B (Pittsburgh, Pa.)	10-1	9-30	Nova Scoti L&P Ltd. \$1.50	Q	7-1	6-15	StandifordINJ(Trntn NJ) 75c	Q	7-23	7-16	Square D pf.	25	Q	7-1	7-15	
Allis Chalmers Mfg.	25c	Q	6-29	6-10	Florsheim Shoe A	50c	7-1	6-17	Rensselaer Saratoga R. R. 4	S	7-1	6-15	State Bk of Albany60c	Q	6-26	6-20				
Alt & L Val El Ry.	31	Q	6-24	6-8	Florsheim Shoe B	25c	7-1	6-17	Rhinelander Pap.	25	7-1	6-24	Rice-Stix Dry G 1 pf. \$1.75	Q	7-1	6-15	Sun Life Assu Co.75	Q	7-1	6-15
Aluminum (Am) 6% pf. \$1.50	Q	7-1	6-15	Florsheim Shoe C	25c	7-1	6-17	Pac Lig Corp. pf.	31	7-1	6-30	Rice-Stix Dry G 2 pf. \$1.75	Q	7-1	6-15	Tamblyn (G) Ltd.20c	Q	7-2	6-14	
Aluminum Gd. Mfg.	20c	Q	10-1	9-14	Food Machinery & Chem. Co.	25c	6-29	6-15	Pacific P. S.	10	7-1	6-18	Richman Bros.75c	Q	7-1	6-15				
Am Agric Ch.	30c	Q	6-28	6-15	Food Machinery & Chem. Co.	31	6-29	6-15	Pacific P. S.	32c	8-1	7-15	Robertson Mfg. Mills A.10c	Q	6-12	6-14				
Am Amalg. & Consol.	6% pf. \$1.50	Q	7-1	6-17	Food Machinery & Chem. Co.	31	6-29	6-15	Roberts P. Mktg. pf.	1	7-1	6-20	Tokebly (G) Ltd. 5% pf. 62c	Q	7-2	6-14					
Am Crystal Sg 6% pf. \$1.50	Q	7-1	6-17	Gall Merc Lain Co.	50c	7-1	6-15	Rosebriar Tel pf. . . . .	.6125	Q	7-1	6-20	Tokebly (G) Ltd. 7% pf. 62c	Q	7-2	6-14				
Am Cyanamid A & B. 15c	Q	7-1	6-12	Gardner Denver	25c	7-20	6-20	Rome Cable Corp.	10c	7-1	6-14	Tokebly (G) Ltd. 7% pf. 62c	Q	7-2	6-14						
Am Cyanamid 5% cu con pf 1st ser.	125c	Q	7-1	6-12	Gardner Denver pf.	75c	8-1	7-20	Rubinstein (H)	25	7-1	6-15	Tokebly (G) Ltd. 7% pf. 62c	Q	7-2	6-14					
Am Cyanamid 5% com pf	125c	Q	7-1	6-12	Gardner Denver pf.	75c	8-1	7-20	SafeWay Str.	75c	7-1	6-19	Tokebly (G) Ltd. 7% pf. 62c	Q	7-2	6-14					
Am Express Co.	31	Q	7-1	6-14	Gardner Denver pf.	75c	8-1	7-20	SafeWay Str.	75c	7-1	6-19	Tokebly (G) Ltd. 7% pf. 62c	Q	7-2	6-14					
Am Elv. & Consol.	6% pf. \$1.50	Q	7-1	6-15	Gardner Denver pf.	75c	8-1	7-20	Scudder Stvks Ck Pd A75c	Q	7-1	6-19	Tokebly (G) Ltd. 7% pf. 62c	Q	7-2	6-14					
Am Int. Illinois 2% c pf. \$1.50	Q	7-1	6-15	Gardner Denver pf.	75c	8-1	7-20	Sil King C Mines . . . . .	.10c	7-1	6-15	TwinSt. GAE 7% pr ln \$1.75	Q	7-1	6-15					
Am Optical	25c	Q	7-1	6-15	Gardner Denver pf.	75c	8-1	7-20	Tyler Fixt A. . . . .	.41c	7-1	6-15	TwinSt. GAE 7% pr ln \$1.75	Q	7-1	6-15				
Am S & Ref.	50c	Q	8-31	8-2	Gardner Denver pf.	75c	8-1	7-20	Union Metal Mfg.15c	Q	6-22	6-15	Union Metal Mfg.15c	Q	6-22	6-15			
Am S & Ref. pf.	81.75	Q	7-31	8-5	Gardner Denver pf.	75c	8-1	7-20	Union Prem F S.25	Q	7-1	6-15	Union Prem F S.25	Q	7-1	6-15			
Am W Wks & E. pf. \$1.50	Q	7-1	6-14	Gardner Denver pf.	75c	8-1	7-20	Union Prem F S. . . . .	.34c	Q	6-15	Union Prem F S. . . . .	.34c	Q	6-15	6-15			
Am Sm. & Consol.	75c	Q	7-1	6-13	Gardner Denver pf.	75c	8-1	7-20	U S Gauge Co.325	Q	7-1	6-20	U S Gauge Co.325	Q	7-1	6-20			
Am Sm. & Consol.	75c	Q	7-1	6-13	Gardner Denver pf.	75c	8-1	7-20	U S Met. Mfg. pf.15c	Q	6-22	6-15	U S Met. Mfg. pf.15c	Q	6-22	6-15			
Am Sm. & Consol.	75c	Q	7-1	6-13	Gardner Denver pf.	75c	8-1	7-20	U S Trust (N.Y.)15	Q	7-1	6-20	U S Trust (N.Y.)15	Q	7-1	6-20			
Am Sm. & Consol.	75c	Q	7-1	6-13	Gardner Denver pf.	75c	8-1	7-20	United SteelWire Inc. 10c	Q	6-15	6-8	United SteelWire Inc. 10c	Q	6-15	6-8					
Am Sm. & Consol.	75c	Q	7-1	6-13	Gardner Denver pf.	75c	8-1	7-20	Upson Walton10c	Q	6-20	6-10	Upson Walton10c	Q	6-20	6-10			
Am Sm. & Consol.	75c	Q	7-1	6-13	Gardner Denver pf.	75c	8-1	7-20	Van de Kamp HDB 124c	Q	6-29	6-10	Van de Kamp HDB 124c	Q	6-29	6-10					
Am Sm. & Consol.	75c	Q	7-1	6-13	Gardner Denver pf.	75c	8-1	7-20	Van dKmpnHDB pf. \$1.625	Q	6-29	6-10	Van dKmpnHDB pf. \$1.625	Q	6-29	6-10					
Am Sm. & Consol.	75c	Q	7-1	6-13	Gardner Denver pf.	75c	8-1	7-20	Van Norman M. T.40c	Q	6-24	6-12	Van Norman M. T.40c	Q	6-24	6-12			
Am Sm. & Consol.	75c	Q	7-1	6-13	Gardner Denver pf.	75c	8-1	7-20	Vapor Car Eng. Inc.50c	Q	6-10	5-1	Vapor Car Eng. Inc.50c	Q	6-10	5-1			
Am Sm. & Consol.	75c	Q	7-1	6-13	Gardner Denver pf.	75c	8-1	7-20	Victor Chem Wks.30c	Q	6-29	6-19	Victor Chem Wks.30c	Q	6-29	6-19			
Am Sm. & Consol.	75c	Q	7-1	6-13	Gardner Denver pf.	75c	8-1	7-20	West Penn El A.15	Q	6-20	6-10	West Penn El A.15	Q	6-20	6-10			
Am Sm. & Consol.	75c	Q	7-1	6-13	Gardner Denver pf.	75c	8-1	7-20	WPennP4%cm pf. \$1.125	Q	7-15	6-20	WPennP4%cm pf. \$1.125	Q	7-15	6-20					
Am Sm. & Consol.	75c	Q	7-1	6-13	Gardner Denver pf.	75c	8-1	7-20	Western Groc.75c	Q	7-15	6-20	Western Groc.75c	Q	7-15	6-20			
Am Sm. & Consol.	75c	Q	7-1	6-13	Gardner Denver pf.	75c	8-1	7-20	West LiteTel \$1.75pf.43%	Q	6-29	6-10	West LiteTel \$1.75pf.43%	Q	6-29	6-10					
Am Sm. & Consol.	75c	Q	7-1	6-13	Gardner Denver pf.	75c	8-1	7-20	Westen Tablet & Sta. . . . .	.31	Q	6-29	6-20	Westen Tablet & Sta. . . . .	.31				

NOTE: THE ANNALIST uses for these pages the following standing footnote: "Subject to revision. All other footnotes appear immediately below each table. Latest revised data given for previous week or month, and year."

Business Statistics

NOTE: THE ANNALIST uses for these pages the following standing footnote: "Subject to revision. All other footnotes appear immediately below each table. Latest revised data given for previous week or month, and year."

THE ANNALIST INDEX OF BUSINESS ACTIVITY

	1940	1939
May.	Apr.	Mar.
Freight car loadings...	87.5	83.8
Miscellaneous...	81.3	77.5
Other...	100.0	96.4
Elec. power prod.	*103.3	103.9
Manufacturing...	96.1	99.8
Steel ingot prod.	100.9	81.6
Pig iron production...	106.7	97.4
Textiles...	*111.6	110.2
Cotton consumption...	124.4	119.8
Wool consumption...	83.4	86.7
Silk consumption...	41.0	41.9
Rayon consumption...	127.4	129.0
Boot and shoe prod.	106.2	113.5
Automobile prod.	*119.5	99.8
Lumber production...	78.8	78.2
Cement production...	69.2	73.1
Mining...	94.3	95.4
Zinc production...	90.0	91.3
Lead...	100.2	102.5
Combin. Index...	95.9	96.6

For back figures, 1938 and 1939, see THE ANNALIST of April 25, 1940, page 601. Table 19. For seasonal indices for 1939 see THE ANNALIST of July 6, 1939, page 17. Table 20; for 1940 see THE ANNALIST of April 4, 1940, page 497, Table 19.

RATE OF OPERATIONS IN THE STEEL INDUSTRY

Week Ended	Dow-Jones U. S.	Week Begun	Amer. Iron & Steel Indep. Total	Week Ended	N. Y. Steels	Week Ended	Iron Met. Stl. Inst.	As of June 17	Am. Iron Met. A.Mkt.
June 19, 1940	44 1/2	61	53 1/2	June 12, 1939	53.1	June 17, 52 1/2	53	June 13, 52 1/2	53
1940									
Apr. 15	58	63	61	Apr. 15	81.3	Apr. 13	61	Apr. 9	61
Apr. 22	58	63	61	Apr. 22	60.9	Apr. 20	61	Apr. 16	62
Apr. 29	58 1/2	63 1/2	61 1/2	Apr. 29	60.0	Apr. 27	61 1/2	Apr. 23	62
May 6	62 1/2	65	64	May 6	61.8	May 4	63 1/2	May 30	63
May 13	67	68 1/2	68	May 13	65.8	May 11	66 1/2	May 6	67 1/2
May 20	72 1/2	73	73	May 20	73.0	May 18	70 1/2	May 14	70
May 27	77	75 1/2	76	May 27	73.0	May 25	75	May 21	74
June 3	88 1/2	75	80	June 3	80.3	June 1	78 1/2	June 19	78
June 10	88 1/2	77	81	June 10	81	June 8	81 1/2	June 4	80 1/2
June 17	88 1/2	77	84 1/2	June 17	84.6	June 15	84 1/2	June 11	85 1/2

OIL REFINERY ACTIVITY AND STOCKS (18)

Estimated for entire industry; thousands of barrels. P. C. of capacity, reporting companies only. Gasoline production, including cracked, straight run and natural blended. Petroleum stocks estimated from Bureau of Mines data. Gasoline stocks include both finished and unfinished gasoline.

Week Ended	Average P. C.	Total	Stocks	P. C.
1939				
June 10, 1940	3,510	86.5	274,692	82,716
1940				
Apr. 27	3,555	84.0	256,670	102,452
May 4	3,505	83.6	252,210	101,963
May 11	3,620	85.8	257,079	101,347
May 18	3,665	86.3	257,647	101,015
May 25	3,580	84.1	259,330	100,297
June 1	3,650	85.8	261,662	100,353
June 8	3,600	89.3	11,627	99,471

CRUDE OIL PRODUCTION (18)

(Average daily barrels; excluding "hot," or illegally produced, oil)

Bur. of Mines Est'd.	Needs in March.	Week Ended June 1, 1939.	Week Ended June 3, 1940.
Texas—Panhandle	67,450	75,100	
North	104,550	83,550	
W. Cent.	32,550	31,650	
West	236,750	220,000	
E. Cent.	19,500	97,950	
East	38,600	447,000	
S. West	219,350	258,550	
Coastal	228,250	235,500	
Total	1,344,200	1,364,550	1,465,300
Oklahoma	408,100	422,350	445,150
Kansas	158,100	158,850	156,800
Nebraska	100		
North La.	264,500	{ 70,100	73,600
Coastal La.	{ 237,950	191,900	
Arkansas	64,500	71,900	56,350
Mississippi	5,800	9,350	
Illinois	392,900	449,600	217,000
Indiana	8,100	11,900	96,300
Eastern	101,300	98,900	
Michigan	63,200	59,150	64,150
Wyoming	72,900	72,200	55,300
Montana	17,400	17,900	14,600
Colorado	3,500	3,300	3,800
New Mex.	103,900	107,350	110,550
California	592,600	593,600	608,000
Total U. S.	3,601,000	3,749,050	3,558,800

ELECTRIC POWER PRODUCTION WEEKLY (7)

(Thousands of kilowatt-hours; includes only power generated by the electric light and power industry proper and imports. Does not include power generated by traction companies)

Week Ended	1940	1939	1938
Mar. 23	2,424,350	2,198,681	1,975,239
Mar. 30	2,422,287	2,208,971	1,975,753
Apr. 6	2,381,456	2,173,510	1,990,447
Apr. 13	2,417,674	2,170,671	1,987,573
Apr. 20	2,421,576	2,198,622	1,981,450
Apr. 27	2,386,727	2,163,538	1,988,660
May 4	2,386,210	2,170,750	1,987,100
May 11	2,387,566	2,170,496	1,987,807
May 18	2,422,212	2,170,496	1,987,807
May 25	2,448,885	2,204,885	1,973,278
June 1	2,332,216	2,113,887	1,878,851
June 8	2,452,995	2,256,823	1,991,787

PERCENTAGE CHANGES IN ELECTRIC POWER PRODUCTION WEEKLY (7)

(Percentage changes from corresponding week of previous year)

	1940
New England	+ 4.2
Mid. Atlantic	+ 6.7
Cen. Ind. Reg.	+ 12.3
West. Central	+ 5.2
South. States	+ 10.4
Rocky Mts.	+ 14.1
Pacific Coast	+ 6.2
Entire U. S.	+ 8.7

Date	Previous Issues	Date
Autos, Commercial Car Prod.	Dept. Store Sales by Reserve Districts	May 23
Autos, Dom. G. M. Sales to Consumers, Dealers	Electric Power Production, P. C. Changes, by Regions, Weekly	May 6
Autos, Passenger Car Prod.	Elect. Pwr. Production, Monthly	Apr. 30
Autos, Passenger Car Reg., by Reserve Districts	Elect. Pwr. Production, Weekly	May 1
Autos, Wholesale G. M. Sales	Business Activity, The ANNALIST Index, of Monthly	June 1
Business Activity, The ANNALIST Index, of Monthly	Autos, Commercial Car Prod.	May 2
Business Activity, The ANNALIST Index, of Monthly	Autos, Commercial Car Prod.	May 3
Business Activity, The ANNALIST Index, of Monthly	Autos, Commercial Car Prod.	May 4
Business Activity, The ANNALIST Index, of Monthly	Autos, Commercial Car Prod.	May 5
Business Activity, The ANNALIST Index, of Monthly	Autos, Commercial Car Prod.	May 6
Business Activity, The ANNALIST Index, of Monthly	Autos, Commercial Car Prod.	May 7
Business Activity, The ANNALIST Index, of Monthly	Autos, Commercial Car Prod.	May 8
Business Activity, The ANNALIST Index, of Monthly	Autos, Commercial Car Prod.	May 9
Business Activity, The ANNALIST Index, of Monthly	Autos, Commercial Car Prod.	May 10
Business Activity, The ANNALIST Index, of Monthly	Autos, Commercial Car Prod.	May 11
Business Activity, The ANNALIST Index, of Monthly	Autos, Commercial Car Prod.	May 12
Business Activity, The ANNALIST Index, of Monthly	Autos, Commercial Car Prod.	May 13
Business Activity, The ANNALIST Index, of Monthly	Autos, Commercial Car Prod.	May 14
Business Activity, The ANNALIST Index, of Monthly	Autos, Commercial Car Prod.	May 15
Business Activity, The ANNALIST Index, of Monthly	Autos, Commercial Car Prod.	May 16
Business Activity, The ANNALIST Index, of Monthly	Autos, Commercial Car Prod.	May 17
Business Activity, The ANNALIST Index, of Monthly	Autos, Commercial Car Prod.	May 18
Business Activity, The ANNALIST Index, of Monthly	Autos, Commercial Car Prod.	May 19
Business Activity, The ANNALIST Index, of Monthly	Autos, Commercial Car Prod.	May 20
Business Activity, The ANNALIST Index, of Monthly	Autos, Commercial Car Prod.	May 21
Business Activity, The ANNALIST Index, of Monthly	Autos, Commercial Car Prod.	May 22
Business Activity, The ANNALIST Index, of Monthly	Autos, Commercial Car Prod.	May 23
Business Activity, The ANNALIST Index, of Monthly	Autos, Commercial Car Prod.	May 24
Business Activity, The ANNALIST Index, of Monthly	Autos, Commercial Car Prod.	May 25
Business Activity, The ANNALIST Index, of Monthly	Autos, Commercial Car Prod.	May 26
Business Activity, The ANNALIST Index, of Monthly	Autos, Commercial Car Prod.	May 27
Business Activity, The ANNALIST Index, of Monthly	Autos, Commercial Car Prod.	May 28
Business Activity, The ANNALIST Index, of Monthly	Autos, Commercial Car Prod.	May 29
Business Activity, The ANNALIST Index, of Monthly	Autos, Commercial Car Prod.	May 30
Business Activity, The ANNALIST Index, of Monthly	Autos, Commercial Car Prod.	May 31
Business Activity, The ANNALIST Index, of Monthly	Autos, Commercial Car Prod.	June 1
Business Activity, The ANNALIST Index, of Monthly	Autos, Commercial Car Prod.	June 2
Business Activity, The ANNALIST Index, of Monthly	Autos, Commercial Car Prod.	June 3
Business Activity, The ANNALIST Index, of Monthly	Autos, Commercial Car Prod.	June 4
Business Activity, The ANNALIST Index, of Monthly	Autos, Commercial Car Prod.	June 5
Business Activity, The ANNALIST Index, of Monthly	Autos, Commercial Car Prod.	June 6
Business Activity, The ANNALIST Index, of Monthly	Autos, Commercial Car Prod.	June 7
Business Activity, The ANNALIST Index, of Monthly	Autos, Commercial Car Prod.	June 8
Business Activity, The ANNALIST Index, of Monthly	Autos, Commercial Car Prod.	June 9
Business Activity, The ANNALIST Index, of Monthly	Autos, Commercial Car Prod.	June 10
Business Activity, The ANNALIST Index, of Monthly	Autos, Commercial Car Prod.	June 11
Business Activity, The ANNALIST Index, of Monthly	Autos, Commercial Car Prod.	June 12
Business Activity, The ANNALIST Index, of Monthly	Autos, Commercial Car Prod.	June 13
Business Activity, The ANNALIST Index, of Monthly	Autos, Commercial Car Prod.	June 14
Business Activity, The ANNALIST Index, of Monthly	Autos, Commercial Car Prod.	June 15
Business Activity, The ANNALIST Index, of Monthly	Autos, Commercial Car Prod.	June 16
Business Activity, The ANNALIST Index, of Monthly	Autos, Commercial Car Prod.	June 17
Business Activity, The ANNALIST Index, of Monthly	Autos, Commercial Car Prod.	June 18
Business Activity, The ANNALIST Index, of Monthly	Autos, Commercial Car Prod.	June 19
Business Activity, The ANNALIST Index, of Monthly	Autos, Commercial Car Prod.	June 20
Business Activity, The ANNALIST Index, of Monthly	Autos, Commercial Car Prod.	June 21
Business Activity, The ANNALIST Index, of Monthly	Autos, Commercial Car Prod.	June 22
Business Activity, The ANNALIST Index, of Monthly	Autos, Commercial Car Prod.	June 23
Business Activity, The ANNALIST Index, of Monthly	Autos, Commercial Car Prod.	June 24
Business Activity, The ANNALIST Index, of Monthly	Autos, Commercial Car Prod.	June 25
Business Activity, The ANNALIST Index, of Monthly	Autos, Commercial Car Prod.	June 26
Business Activity, The ANNALIST Index, of Monthly	Autos, Commercial Car Prod.	June 27
Business Activity, The ANNALIST Index, of Monthly	Autos, Commercial Car Prod.	June 28
Business Activity		

19
OIL SUPPLY AND DEMAND (5)

(Thousands of barrels)

1939.	Domestic Production			Supply			Imports			Demand		
	Crude	Petro-	Natural	Total	Crude	Petro-	Refined	Prod.	Total	Total	Domestic	Exports
Apr.	105,510	4,232	162	109,904	1,841	4,773	114,677	94,632	6,222	9,243	15,465	110,097
1940.												
Jan.	113,140	4,271	272	117,683	1,950	2,762	4,712	122,395	115,991	4,202	6,726	10,928
Feb.	108,688	4,179	231	113,078	2,343	4,284	6,627	119,705	95,013	3,327	5,765	9,092
Mar.	120,075	4,489	237	124,901	2,895	5,098	7,993	132,794	110,368	4,046	7,583	11,629
Apr.	116,045	4,414	228	120,687	3,169	3,037	6,206	126,893	103,526	4,262	7,515	11,777
												115,303

20

U. S. FOREIGN TRADE BY PRINCIPAL REGIONS (5)

(Thousands of dollars. Imports include both for consumption and for storage in bonded warehouses)

EXPORTS, INCLUDING RE-EXPORTS

1939.	Northern America			Southern America			Europe			Asia			Oceania			Africa			Total		
	North America	North America	South America	North America	Europe	Asia	Oceania	Africa	Total	North America	Europe	Asia	Oceania	Africa	Total	North America	Europe	Asia	Total		
April	35,055	23,462	24,277	88,816	41,810	7,453	10,101	230,974													
1940.																					
Jan.	42,282	27,758	38,566	172,640	65,114	10,947	11,276	368,584													
Feb.	43,671	28,065	36,993	165,741	52,277	9,243	10,789	346,779													
March	49,700	29,167	42,328	160,050	49,584	9,714	11,727	352,272													
April	55,136	25,249	36,219	140,240	47,743	9,477	13,944	324,005													

GENERAL IMPORTS

1939.	April			May			June			July			Aug.			Sept.			Oct.			Nov.			Dec.			
	Miscel.	Mds.	L.C.L.	Coal.	Prod.	Gr.	Prod.	Ore.	Stock.	Coke.	Prod.	Gr.	Prod.	Ore.	Stock.	Coke.	Prod.	Gr.	Prod.	Ore.	Stock.	Coke.	Prod.	Gr.	Prod.	Ore.	Stock.	Coke.
May	42.28	25.40	14.41	4.92	6.35	4.48	2.23	0.88																				
1940.																												
Jan.	48.72	25.61	25.34	5.67	5.79	5.78	2.17	1.80																				
Feb.	47.04	25.36	21.37	5.45	6.13	5.77	2.19	2.00																				
Mar.	44.73	24.99	20.30	5.35	6.23	5.68	2.25	1.97																				
April	44.80	24.88	23.54	5.30	6.26	5.75	2.05	1.51																				
May	47.01	25.12	24.05	5.33	5.88	7.77	2.12	1.73																				

21

SEASONALLY ADJUSTED FREIGHT CAR LOADINGS BY GROUPS

(Average per business day; adjusted for seasonal variation; in thousands of cars)

1939.	Mds.			Forest			Grain &			Live			Stock.			Coke.			Prod.			Gr.			Prod.			Ore.			Stock.			Coke.		
	Cleve-	Chi-	New	Chi-	Phi-	Rich-	U.S.	Chi-	Phi-	U.S.	Chi-	Phi-	U.S.	Chi-	Phi-	U.S.	Chi-	Phi-	U.S.	Chi-	Phi-	U.S.	Chi-	Phi-	U.S.	Chi-	Phi-	U.S.	Chi-	Phi-	U.S.					
May	22.98	9.04	4.53	3.85	2.74	4.35	61.11																													
1940.																																				
January	60.40	24.34	8.25	7.48	5.38	6.95	117.30																													
February	47.70	20.54	7.71	6.71	5.07	6.57	98.51																													
March	42.50	16.32	7.26	6.70	5.51	6.40	88.08																													
April	42.67	15.91	7.04	6.20	4.98	6.19	87.67																													
May	47.01	18.11	7.47	6.17	5.07	6.99	96.02																													

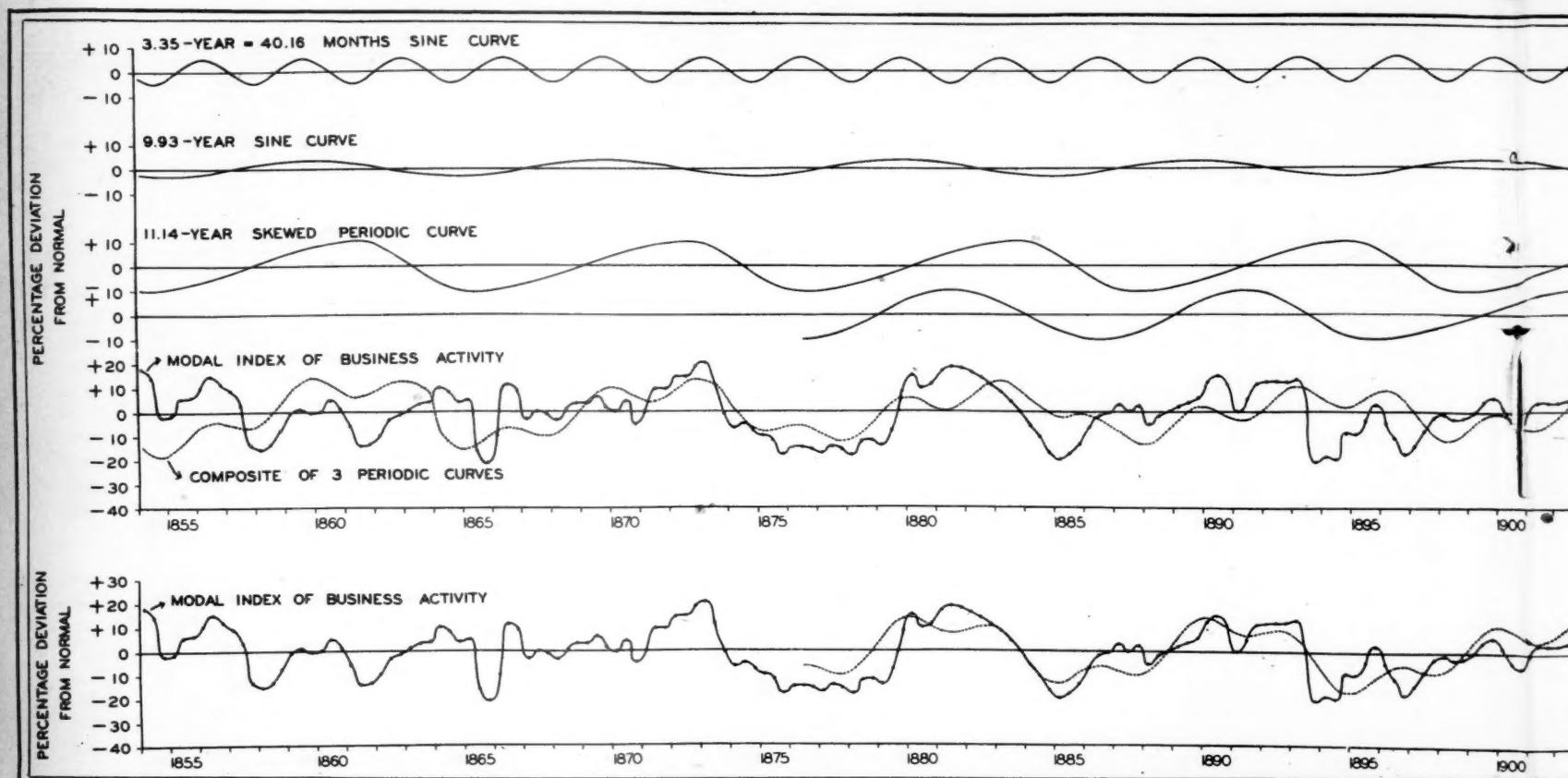
22

PIG IRON PRODUCTION BY FEDERAL RESERVE DISTRICTS

(Average daily, adjusted for seasonal variation; thousands of tons)

1939.	Active Blast Furnaces			Capacity per Day			Adjusted Daily			Daily Seasonal Index			Sales			To Consumers			To Dealers			1940.									
	Production	Average	No. (Tons.)	Production	Capacity	per Day	Total	Days	Avg.	Index	Avg.	Total	Days	Avg.	Index	Total	Days	Avg.	Index	Total	Days	Avg.	Total	Days	Avg.						
June	2,372,665	79,089	107	67,777																											
1940.																															
Jan.	101,955	103.5	98,507	114,189	177	123,990																									
Feb.	104,032	101,064	98,507	130,061	191	136,701																									
Mar.	137,019	104,567	104,675	130,500	157	160,040																									

Business Activity's Complex Cyclical Pattern: The Three Components and a Composite Obtained by Substituting a



By SIMEON HUTNER

STUDENTS of what are commonly referred to as "business cycles" are still disputing the question of whether fluctuations in business activity tend to repeat themselves at stated intervals of time or whether each wave of prosperity and depression is an entity in itself with no time relationship to previous waves. Although evidence, presented in the past, indicating periodicity in the movements of our business indexes is by no means conclusive, it is sufficiently strong to warrant careful investigation.

Motivated by such evidence, Dr. Willford I. King presented in *THE ANNALIST*² a chart supporting a hypothesis that variations in business activity follow a periodic pattern with waves of approximately forty months in length. Dr. King used the Axe-Houghton-Annalist Index of Business Activity for the period 1879-1931 and fitted to it a sine curve³ having a wave length of 39.56 months. This last figure was derived by averaging the lengths of the waves in the business index.

Although Dr. King succeeded in demonstrating a tendency for business to return to the same phase of the cycle at forty-month intervals, the sine curve pattern gave no indication as to whether a given peak in activity would be relatively high

or a given trough relatively low, since all peaks and troughs in a sine curve are of uniform height and depth, respectively. It would appear that something more than a simple sine curve is needed in fitting business fluctuations if the full potentialities of the cycle concept are to be realized.

A Number of Cycles

There is strong reason to suspect that, instead of one "business cycle," a number of cycles, all operating at the same time, are present in business. If this hypothesis is true, a severe depression would accompany the concurrence of the troughs of all the cycles involved; a less serious depression would occur when a number of cycles were at a trough but some were at a peak; and so on. In this way cycles could be made to account for not only the turning points in business activity but the amplitudes of the fluctuations as well.

In an endeavor to expand, along the lines just indicated, the studies made by Dr. King, the present investigation was begun. The specific intention was to detect, if possible, the existence of any cycles longer than forty months in length which might be present in American business. The Axe-Houghton-Annalist Index of Business Activity appeared to be the most reliable source of information concerning variations in business activity but, for purposes of confirmation, it seemed desirable to check it with three other indexes of business conditions.⁴

The "Modal" Index

After necessary adjustments had been made, the four indexes employed proved so similar in their movements that it seemed appropriate to construct a new index which would be representative of all four. This is the "Modal Index of Business

²The author is deeply indebted to Dr. Willford I. King of New York University for the generous assistance rendered by him in the preparation of the statistical material upon which this article is based. Considerable aid in the computations and preliminary charting was received from the following student assistants: Sidney B. Wachtel, Chester S. Wofsey, Sidney Lieberman and Irving Hirsh.

³May 1, 1931.

⁴A sine curve is familiar to students of physics as the pattern of waves in water, or the pattern of waves of light or sound, all of which have a constant amplitude and require the same length of time to descend from a peak to a trough as they require to rise from a trough to a peak. Two of the curves in the accompanying diagram are of this nature.

⁴The monthly figures of each index were put in the form of four-month averages for the sake of convenience.

Activity" shown in the accompanying chart. Throughout nearly all of its course, it will be found to agree very closely with the Annalist index.

In order to find evidence of the existence of any possible cycles having wave lengths greater than forty months, it was necessary first to eliminate this forty-month cycle from the modal index of business activity, for if this were not done, the latter curve would be needlessly complicated by fluctuations which were already accounted for. Careful measurements covering the 86-year period indicate that the wave length of the cycle just mentioned is actually 40.16 months. This figure differs slightly from Dr. King's earlier estimate of 39.56 months, the difference in measurement being accounted for by the fact that the present investigation covered a materially larger number of waves than did Dr. King's study.

When, by means of a moving average, the forty-month fluctuations had been eliminated from the modal index of business activity, a longer cycle showed up clearly. The lengths of the waves in this new curve were then measured and their average length was found to be 11.14 years. A sine curve having waves of this length was fitted to the data but did not appear to be the proper pattern to use in this instance. Careful examination indicated that the weakness of the curve was due to the fact that the waves in this particular cycle did not form a perfect sine curve, for apparently each dropped faster than it rose. Hence, after some experimentation, there was developed empirically a periodic curve with an 11.14-year wave length which expresses the tendency of this cycle to decline more rapidly than it rises. Such tendency is familiar to all students of business cycles. The curve used to represent it is shown above as the "Skewed Periodic Curve."

Having determined the shape of the

11.14-year periodic curve, the logical procedure appeared to be next to combine the 3.35-year (or 40.16-month) cycle with the 11.14-year cycle and subtract the combination from the modal index of business activity in order to see whether the residual curve might contain other cyclical movements which could be isolated. When this subtraction was accomplished, the residue exhibited distinct evidence of the existence of another wave having a length just a little under ten years or, more precisely, 9.93 years.

The last cycle isolated—that of about ten years—seemed to fit in very closely with observations concerning a similar period in business activity made by Edgar Lawrence Smith in his recent book "Tides in the Affairs of Men."

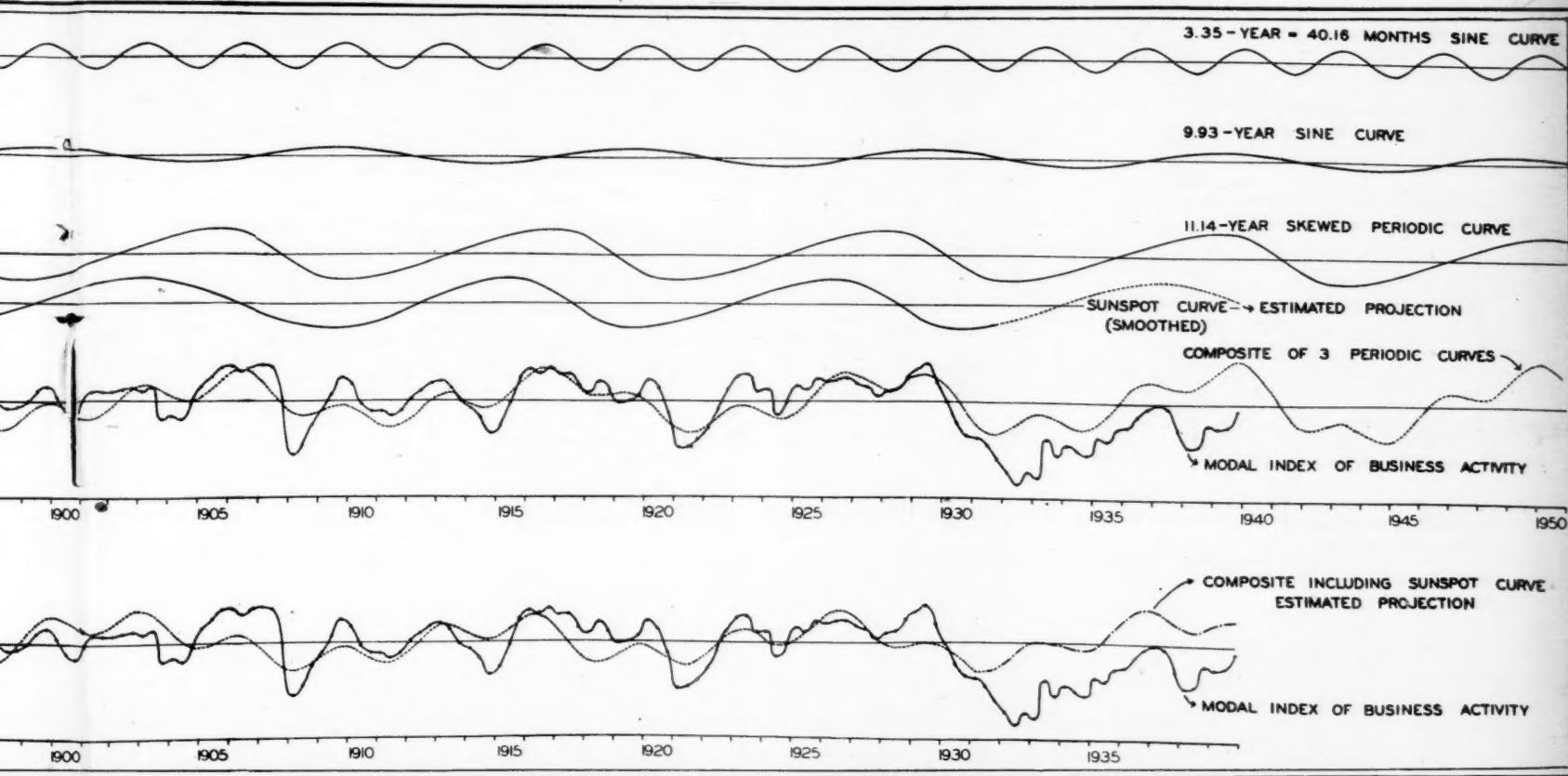
Furthermore, the 11.14-year cycle, previously isolated, appeared to have about the same length as the waves which Garcia-Mata and Shaffner had found to exist both in business and in variations in sunspot activity, as described in the Quarterly Journal of Economics for Nov., 1934.

Sunspot Periodicity

At this point there came to light several remarkable coincidences between the results of the work described herein and the findings of another research worker. In a pamphlet entitled "The Sunspot Period," published by the Smithsonian Institution, H. Helm Clayton, who was previously unknown to the present writer, set forth the results of his attempt to isolate periodic components in the curve showing sunspot activity. He found that two of the most important waves in the somewhat irregular curve of sunspot variations had lengths of 11.17 years and 9.93 years respectively.

⁵In these measurements, Clayton was in almost perfect agreement with other such competent analysts of sunspot data as Karl Stumpff, Dinsmore Alter and Andrew Ellington Douglass.

Component Forces, a Composite Curve Derived Therefrom, and a Sunspot Curve for the 11.14-Year Cycle



The fact that independent measurements of the lengths of component cycles in solar radiation and of the lengths of component cycles in business activity should prove to be almost identical is in itself very striking. However, the correspondence between business data and sunspots was found to be even more remarkable when Frederick Williams of New York University had calculated, from business data exclusively, the relative amplitudes of the three business cycles described above. Williams's computations indicated that the amplitude of the 11.14-year cycle in business was 3.1 times the amplitude of the 9.93-year cycle. Clayton had found the 11.17-year sunspot cycle to be 2.7 times as intense as the one of 9.93 years. The ratios are surprisingly similar.

This correspondence between waves in business and waves in sunspots does not, however, extend to the forty-month cycle. No one has found a sunspot period which approximates forty months in length.

The "Composite" Curve

The facts cited suggest certain possible causes of periodic fluctuations in business activity. To the business man, however, the probability of the existence of regularity in business fluctuations, rather than the cause of such regularity, is of primary interest. It has seemed best, therefore, to lay particular emphasis upon the question of the existence of regularity. To help in answering it, the three periodic curves illustrated above have been added together to arrive at the complex cyclical pattern referred to as the "Composite of Three Periodic Curves." If the original hypothesis upon which this study is based (namely, that several different cycles in business activity exist) is correct, the composite curve should approximate the modal index of business activity.

By inspection of the composite curve and the modal index the reader can see

for himself how well and how badly the three cycles, when added together, fit the actual data from 1854 to the end of 1939. However, in making such a comparison it should be kept in mind that accurate data are not available for the earlier years shown in the accompanying chart. Hence, the curve of business activity during those years is by no means as reliable as it is in more recent times.

Another point worthy of mention is that, during the period since 1930, although the fluctuations in the business index are very similar to those in the composite curve, governmental interference has apparently tended to keep business depressed to a level lower than that indicated by the composite cyclical curve.

The Sunspot Curve

In view of the previously mentioned possibility of a relationship between sunspot variations and business fluctuations, it was thought that an improvement might be made in the composite curve if the aggregate sunspot curve were used in place of the 11.14-year cycle which appears to be but one of its components. The composite curve derived in this manner is also shown herewith, together with the business index.

Observation would seem to indicate that, in some places, the "Composite Including Sunspot Data" more closely approximates the business curve than does the "Composite of Three Periodic Curves." This is notably true in the period 1882-1900. However, in recent years the aggregate of the original picture cycles presents a more accurate picture of the actual fluctuations in business than does the sunspot composite.

In general, it may be said that there is not a very great difference in the movements of the two composite curves. Inasmuch as the smoothed sunspot curve is somewhat irregular in its wave lengths,

it cannot easily be projected beyond years for which actual data are available. The composite of the three periodic curves, on the other hand, can be extended indefinitely. Hence, the latter can be used for forecasting while the sunspot composite cannot.

In evaluating the correspondence between the composite curves and the modal index of business activity it is important to remember that the composites each contain only three cycles out of the many which probably exist in business. At the

same time there can be no doubt that accidental, non-repetitive forces also affect business.

Hence, although the correspondence established is not perfect, it may be said that the evidence seems to confirm the hypothesis that there are present in business at least three cycles sufficiently regular in their behavior to be of value to the business forecaster. Just how valuable they are may best be judged from the accompanying chart, for the curves speak for themselves.

Abstracts of Recent Important Articles On Business, Finance and Economics

By HELEN SLADE

Cheap Money and the Federal Reserve System, by E. A. Goldenweiser (Federal Reserve Bulletin, May, 1940). With only brief interruptions, money rates have gradually declined during the past ten years, until they now stand at an extraordinarily low level. Economic forces have exerted a powerful influence on the decline of interest rates. After the collapse of 1929 the Federal Reserve System reversed its policy and reduced discount and bill rates, first to help member banks carry the load of brokers' loans, then later to help banks reduce their heavy indebtedness to "the Reserve Banks and to meet demands for currency and for gold." This policy of easing was temporarily interrupted in the Autumn of 1931, when gold moved out of the country at a rapid pace.

Since January, 1934, large-scale gold imports account for much of the increase in member bank reserves. "Against the background of the great and constantly growing volume of reserves, however, the steps taken to reduce excess reserves must be viewed as precautionary measures" and not designed to restrict or restrain im-

mediate credit expansion. Although the Federal Reserve System and other governmental agencies have pursued policies tending to reduce the cost of money other factors have accelerated and intensified the decline in money rates. While the supply of funds has been increasing the demand of business has not increased to the same extent. To meet this situation many banks have extended their field of operation into bond investments and other forms of credit. "Prevailing low money rates represent the effect of a vastly increased supply of current and investment funds without a corresponding growth in the demand for such funds."

The Threat of Socialized Credit, by Albert W. Atwood (Banking, May, 1940). The Jones bill is "apparently a deliberate attempt to socialize a large part of the credit structure of the country." Though it will probably not pass at this session of Congress, past experience has shown that such ideas have great vitality, and

Continued on Page 847

39
NEW CORPORATE ISSUES (2)
 (Thousands of dollars)

	New Capital.	Re-funding.	Total.
Jan.	5,926	10,386	16,312
Feb.	23,571	136,115	159,686
Mar.	52,979	46,689	99,668
Apr.	78,740	181,749	259,909
May	21,740	161,502	183,242
June	30,241	231,430	261,639
July	50,139	184,438	230,577
Aug.	25,895	317,463	343,357
Sept.	16,019	79,096	95,115
Oct.	18,200	187,314	175,514
Nov.	21,408	90,792	112,200
Dec.	26,071	194,281	221,252
Total	371,250	1,807,624	2,178,873
1940.			
Jan.	32,055	133,460	165,515
Feb.	45,404	210,842	256,246
Mar.	29,120	105,756	134,877
Apr.	53,925	192,353	246,279
May	29,287	82,695	111,982
40			

ELECTRIC POWER PRODUCTION MONTHLY (12)
 (Thousands of kilowatt-hours)

	By Water Power.	By Fuels.	Total.
1939.	3,741,809	6,896,966	10,640,775
Jan.	3,825,913	6,788,386	9,654,299
Feb.	4,450,487	6,116,337	10,566,824
April	4,371,887	5,406,109	9,777,996
May	4,165,464	6,175,926	10,341,390
June	3,785,948	6,743,183	10,529,132
July	3,472,092	7,178,512	10,650,604
Aug.	3,526,720	7,101,301	11,627,084
Sept.	3,118,383	6,921,399	11,115,752
Oct.	3,137,600	6,728,688	11,865,274
Nov.	3,203,993	6,454,513	11,658,506
Dec.	3,186,557	6,890,722	12,077,279
1940.			
Jan.	3,186,424	9,065,452	12,251,876
Feb.	3,189,858	7,913,720	11,103,578
Mar.	3,931,193	5,782,705	11,513,898
Apr.	4,541,953	6,650,577	11,192,530

41
FOREIGN EXCHANGE RATES WEEKLY
 (Demand rates where noted; all others, cable. Belgium: 1 belga = 5 Belgian francs. France, Switzerland, Mexico: no official par; par shown in old par)

Par.	Country and Unit.	June 8, 1940.	Week Ended.	June 10, 1939.	
		High.	Low.	High.	Low.
1,695	Belgium (belga).....	\$	\$	\$	\$
4,537	Denmark (krona).....	\$	\$	2,093	2,090 ^{1/2}
0,026	Finland (markka).....	0.200	0.200	0.200	0.207
0,063	France (franc).....	0.219	0.180 ^{1/2}	0.183 ^{1/2}	0.176 ^{1/2}
0,020	Greece (drachma).....	0.071	0.062	0.063	0.061 ^{1/2}
0,022	Hungary (pengo).....	0.170	0.170	0.170	0.170
0,052	Italy (lira).....	0.0505	0.0505	0.0526	0.0526
0,055	Netherlands (guilder).....	0.0505	0.0505	0.0530	0.0515
0,057	Norway (krona).....	0.0505	0.0505	0.0555	0.0555
0,749	Portugal (escudo).....	0.0505	0.0505	0.0525	0.0525
0,010	Romania (leu).....	0.0505	0.0505	0.0502	0.0502
0,437	Sweden (krona).....	0.2387	0.2385	0.2375	0.2413 ^{1/2}
8,2397	United King. (pound sterling).....	2,238	2,238	2,230	2,226 ^{1/2}
3,88	Yugoslavia (dinar).....	0.238	0.235	0.238	0.231
1,6931	Canada (dollar).....	0.2265	0.2250	0.2250	0.2230
0,026	Mexico (peso).....	0.2255	0.2250	0.2250	0.2230
0,028	Argentina (paper peso).....	0.2255	0.2250	0.2250	0.2230
0,0606	Brazil (milreis).....	0.0515	0.0515	0.0515	0.0540
0,0516	Chile (peso).....	0.0516	0.0516	0.0516	0.0519
0,5714	Colombia (gold peso).....	0.5800	0.5800	0.5800	0.5750
0,4740	Peru (sol).....	0.1600	0.1600	0.1600	0.1787
0,6983	Uruguay (gold peso).....	0.3900	0.3900	0.3900	0.3650
0,020	China (silver dollar).....	0.2405	0.195	0.2025	0.1977
0,020	Shanghai (silver dollar).....	0.2405	0.195	0.2025	0.1977
0,020	Hong Kong (silver dollar).....	0.2405	0.195	0.2025	0.1977
0,020	India (rupee).....	0.2020	0.0515	0.0560	0.1610
0,020	Japan (yen).....	0.2343	0.2343	0.2343	0.2279
0,020	Philippines (peso).....	0.4978	0.4978	0.4977	0.4980
0,9613	Straits Settlements (dollar).....	0.4500	0.3810	0.3825	0.3750
0,020	Australia (pound).....	0.304 ^{1/2}	0.255 ^{1/2}	0.254 ^{1/2}	0.375
0,020	U. S. Africa (pound).....	0.380	0.318 ^{1/2}	0.322 ^{1/2}	0.317 ^{1/2}

Not quoted, due to war.

42
FOREIGN EXCHANGE RATES DAILY
 (Cable transfer rates, except as noted; for currency units see Foreign Exchange Rates Weekly)

	June 8.	June 7.	June 6.	June 5.	June 4.	June 3.
United Kingdom: High.....	\$3.78 ^{1/2}	\$3.88	\$3.85	\$3.20	\$3.21	\$3.21 ^{1/2}
Low.....	3.65	3.35	3.18 ^{1/2}	3.19	3.18 ^{1/2}	3.19 ^{1/2}
Last.....	3.74 ^{1/2}	3.81	3.70	3.19 ^{1/2}	3.19 ^{1/2}	3.19 ^{1/2}
France: High.....	0.0216	0.0219	0.0218 ^{1/2}	0.0181 ^{1/2}	0.0182 ^{1/2}	0.0182 ^{1/2}
Low.....	0.0208	0.0207	0.0180 ^{1/2}	0.0180 ^{1/2}	0.0181 ^{1/2}	0.0181 ^{1/2}
Last.....	0.0212 ^{1/2}	0.0216	0.0209 ^{1/2}	0.0181 ^{1/2}	0.0181 ^{1/2}	0.0181 ^{1/2}
Italy: High.....	0.0505	0.0505	0.0505	0.0505	0.0505	0.0505
Low.....	0.0505	0.0505	0.0505	0.0505	0.0505	0.0505
Last.....	0.0505	0.0505	0.0505	0.0505	0.0505	0.0505
Sweden: High.....	0.2387	0.2386	0.2386	0.2386	0.2386	0.2386
Low.....	0.2385	0.2385	0.2385	0.2385	0.2385	0.2385
Last.....	0.2387	0.2386	0.2386	0.2386	0.2386	0.2386
Canada, demand rate: High.....	7.900	8.025	8.025	7.837	7.862	7.868
Low.....	7.850	7.875	7.875	7.825	7.843	7.843
Last.....	7.850	7.875	7.875	7.825	7.843	7.843
Japan, closing.....	2.348	2.348	2.348	2.348	2.348	2.348
Argentina, closing, free mkt'.....	2.250	2.250	2.250	2.250	2.250	2.250

SOURCES OF DATA

(1) Railway Age. (2) Commercial and Financial Chronicle. (3) The F. W. Dodge Corporation. (4) Federal Reserve Board. (5) United States Department of Commerce. (6) United States Department of Labor. (7) Edison Electric Institute. (8) The Iron Age. (9) American Institute of Steel Construction. (10) Ward's Automotive Reports, Inc. (11) Dun & Bradstreet's. (12) Federal Power Commission. (13) The Wall Street Journal. (14) Engineering News-Record. (15) American Bureau of Metal Statistics. (16) American Iron and Steel Institute. (17) Abertawh Company. (18) American Petroleum Institute. (19) Association of American Railroads. (20) United States Department of Interior. (21) Commodity Exchange, Inc. (22) National Industrial Conference Board. (23) American Metal Market. (24) Federal Reserve Bank of New York. (25) American Zinc Institute. (26) Association of Life Insurance Presidents. (27) Bureau of Railway Economics. (28) Interstate Commerce Commission. (29) Rubber Manufacturers Association. (30) Bureau of Agricultural Economics. (31) American Appraisal Company. (32) Copper Institute. (33) New England Council. (34) National Machine Tool Builders Association. (35) Textile Economics Bureau, Inc.

Stock and Bond Market Averages and Volume of Trading

The Annalist Weighted Averages of Group Leaders

	June 6.	June 7.	June 8.	June 10.	June 12.	June 12.
	Cal. Wks.	Range.	High.	Low.	High.	Low.
97 Stocks	35.6	35.5	36.3	36.2	35.6	34.6
74 Industrials	119.0	117.0	118.6	121.1	118.8	120.0
4 Steels	28.3	27.8	29.3	29.0	28.8	29.8
4 Motors	53.0	52.2	53.0	52.5	53.2	53.5
5 Motor Accessories	28.8	28.2	28.6	29.6	28.9	29.2
5 Aircrafts	38.8	38.0	38.6	40.1	39.4	39.5
3 Building	23.8	23.1	23.3	23.6	23.3	23.6
4 Chemicals	111.2	110.5	111.2	112.5	110.9	111.2
4 Nonferrous metals	32.6	31.5	32.3	33.0	32.6	32.1
4 Foods	28.7	28.2	28.5	29.1	28.2	28.4
3 Tobaccos	62.6	61.9	62.4	63.2	62.3	63.5
3 Sugars	18.6	18.5	18.6	18.7	18.5	18.6
2 Electrical equipments	45.0	44.2	45.0	45.7	45.0	45.0
3 Farm equipments	32.9	32.6	33.5	33.5	32.6	32.6
4 Office equipments	11.9	11.8	11.9	11.8	11.8	11.8
4 Railroad equipments	18.5	18.2	18.3	19.1	18.5	18.5
4 Aircraft equipments	10.1	9.8	10.1	10.5	10.2	10.3
5 Merchandise	40.2	39.5	40.0	40.6	39.4	40.3
3 Rubber and tires	21.4	21.1	21.4	22.1	21.4	22.0
2 Liquor	18.3	17.5	17.5	17.5	17.5	17.5
4 Standard Oils	18.7	18.2	18.7	18.8	18.6	18.7
4 Independent oils	35.7	35.1	36.3	36.4	36.3	36.9
8 Oils	54.0	53.0	55.7	54.5	55.2	54.8
10 Rails	19.0	18.7	19.0	19.2	19.0	19.0
5 Air transports	15.0	14.7	15.0	16.2	15.2	16.2
8 Utilities	16.6	16.3	16.5	16.8	16.6	16.7

The New York Times Stock Market Averages
WEEKLY HIGH, LOW AND

Banking Statistics—Brokers' Loans—Gold Reserves

Statement of the Federal Reserve Banks

(Thousands)

ASSETS	Combined Federal Res. Banks			N. Y. Federal Res. Bank		
	June 5, 1940.	May 29, 1940.	June 7, 1939.	June 5, 1940.	May 29, 1940.	June 7, 1939.
Gold certificates on hand and due from United States Treasury	\$17,053,492	\$16,935,473	\$13,391,719	\$8,443,951	\$8,438,853	\$6,363,004
Redemption fund—Federal Reserve notes	10,490	9,021	9,273	852	944	1,638
Other cash	348,578	359,026	349,876	102,598	102,456	85,862
Total reserves	\$17,412,560	\$17,303,520	\$13,750,868	\$8,547,401	\$8,542,253	\$6,450,504

Bills discounted:
Secured by United States Government obligations, direct and guaranteed

1,450

1,760

1,806

990

722

538

Other bills discounted

1,332

1,303

1,659

188

183

238

Total bills discounted

\$2,782

\$3,063

\$3,467

\$1,178

\$906

\$776

Bills bought in open market

Industrial advances

U. S. Govt. securities, direct and guaranteed

Bonds

Notes

Bills

Total United States Government securities, direct and guaranteed

Total bills and securities

Due from foreign banks

Federal Reserve notes of other banks

Uncollected items

Bank premises

Other assets

Total assets

LIABILITIES

Federal Reserve notes in actual circulation

Deposits:

Member bank—Reserve account

United States Treasurer—General account

Foreign bank

Other deposits

Total deposits

Deferred availability items

Other liabilities, including accrued dividends

Total liabilities

CAPITAL ACCOUNTS

Capital paid in

Surplus (Section 7)

Surplus (Section 13b)

Other capital accounts

Total liabilities and capital accounts

Ratio of total reserves to deposit and Federal Reserve note liabilities combined

Commitments to make industrial advances

Statement of Member Banks

(Principal resources and liabilities of reporting member banks in 101 leading cities; millions of dollars)

All Reporting

Chicago

New York City

June 5, 1940. May 29, 1940. June 5, 1939. June 5, 1940. May 29, 1940. June 5, 1939.

LOANS

Business

Open market

Stock Market:

Brokers

Other

Total

Real estate

Banks

Other

Total loans

INVESTMENTS

Treasury bills

Treasury notes

U. S. bonds

Govt. guaranteed

Other securities

Total invest

Total loans and investments

Res. with F. R. Bk.

Cash in vault

Bal. with dom. bks.

Other assets net

Demand deposits adt.

Time deposits

Govt. deposits

Interbank deposits:

Domestic banks

Foreign banks

Borrowings

Other liabilities

Capital account

*Officially designated "Commercial, industrial and agricultural loans."

DEBITS TO INDIVIDUAL ACCOUNTS BY BANKS IN REPORTING CENTERS WEEKLY

(Millions of dollars. Data for New York City and 140 Other Leading Centers available since 1919)

Week Ended

June 5, 1940. June 7, 1939.

Federal Reserve District:

Boston

New York

Philadelphia

Cleveland

Richmond

Atlanta

Chicago

St. Louis

Minneapolis

Kansas City

Dallas

San Francisco

Total 274 reporting centers

New York City

140 other leading centers

133 other centers

MONEY RATES IN NEW YORK WEEKLY

Time Loans

Call Loans

60-90 Days

4-6 Months

4-6 Months

190 Days

High. Low. Av. High. Low. Av. High. Low. Av. High. Low. Av. High. Low. Av.

June 1. 1 1 1.00 1/4 1/4 1.25 1/4 1/4 1.50 1/4 1/4 1.75 1/4 1/4 1.94

June 8. 1 1 1.00 1/4 1/4 1.25 1/2 1/2 1.50 1/4 1/4 1.75 1/2 1/2 1.94

New York Stock Exchange. Asked rate. Average of renewal rate.

Statement of the Federal Reserve Banks (Continued)

Condition of Federal Reserve Banks

At Close of Business June 5, 1940

(Thousands)

District.

Boston

New York

Philadelphia

Cleveland

Richmond

Atlanta

Chicago

St. Louis

Minneapolis

Kansas City

Dallas

San Francisco

Total

Total Bills

Total Reserve

Discounted

Govt. Secur.

in Circula'n

Res. Account

REICHSBANK

(Millions of Reichsmarks; as reported in cable)

June 3, 1940. May 27, 1940. June 7, 1940.

Gold and for. exch.

Bills of exc. and ch'ks

Notes in circula'n

Investm'ts

Other asse's

Sight de-

posits

Bank rate.

BANK OF CANADA

(Thousands of Canadian dollars)

June 5, 1940. May 29, 1940. June 8, 1940.

Assets:

Res. in U. S.

& sterl. fds.

Bank rate.

BANK OF ENGLAND

(Thousands of pounds sterling)

June 5, 1940. May 29, 1940. June 7, 1940.

Circulation

Public deposits

Bankers' acc'ts.

Other accounts

Govt. securities

Other securities

Disk'ns and adv.

Securities

Total dep.

Other liab.

Total liab.

Res. to notes and dep.

Gold reserves transferred to Foreign Exchange Control Board.

BANK OF FRANCE

(Millions of francs)

May 31, 1940. May 24, 1940. June 2, 1940.

Gold

For'gn balances

Bills on France

N. G. bill of lgt.

In France

Adv. agnst. sec.

or loans

30-day advances

Temp. adv. to State

Circulation

Total cr. curr.

accounts

Treasury

Sinking fund

Private

Total sight liab.

Argentina

Belgium

Canada

Colombia

Denmark

England

Finland

France

Germany

Greece

Hungary

India

Italy

Japan

Netherlands

Norway

Poland

Spain

Sweden

SECURITY LOANS

(New York City member banks; millions of dollars)

To Brokers. Others. Total.

June 7, 1940. 553 200 753

1940. 3 100 174

1940. 538 176 714

1940. 510 176 695

1940. 529 177 675

1940. 49 555 227 531

1940. 52 221 522 522

1940. 55 217 15 106 70 322

1940. 57 501 18 679 38 822

1940. 23 835 46 287 46 287

1940. 56 780 11 770 46 000

1940. 54 475 1 089 55 564

1940. 100 644 20 125 90 519

1940. 27 331 277 187 546 43 731

1940. 35 226 2 010 10 030

1940. 55 023 16 142 18 681

1940. 23 835 46 287 46 287

1940. 56 178 11 732 33 294

Stock Transaction—New York Stock Exchange—Continued

For Calendar Week Ended—

Saturday, June 8

2

Stock Transactions—New York Stock Exchange—Continued

For Calendar Week Ended—

Thursday, June 13, 1940

THE ANNALIST

839

Stock Transactions—New York Stock Exchange—Continued

For Calendar Week Ended.—

Bond Transactions — New York Stock Exchange

For Week Ended Saturday, June 8

UNITED STATES GOVERNMENT BONDS

Quotations after decimal point represent 32ds of a point.

TREASURY BONDS

1940 Range High. Low.	1940 Range. High. Low.				Sales in 1000s. High. Low. Last.				Net Chge.				1940 Range. High. Low.	Sales in 1000s. High. Low. Last.				Net Chge.				
	Sales	in 1000s.	High.	Low.	Sales	in 1000s.	High.	Low.	Sales	in 1000s.	High.	Low.	Sales	in 1000s.	High.	Low.	Sales	in 1000s.	High.	Low.	Net Chge.	
102.8 100.14 3% 43-40 June	6	100.15	100.14	100.14	5	104%	104%	104%	104%	5	104%	104%	104%	104%	164	8	Int Gt Nor 1st 6s 52	**	25	98	98	-1%
102.4 102.22 3% 43-41 Mch.	17	103.1	102.2	102.22	2	103	103.1	102.21	102.21	3	103	102.5	102.5	102.5	147	6%	Int Gt Nor 5s 56 B.	**	9	72	72	-2%
105.17 103.21 3% 43 reg.	3	103.21	103.21	103.21	2	103	103.21	103.21	103.21	167	7%	Chl & Alton 4s 40.	**	12	92	92	-1%					
109.30 107.16 3% 47-43	1	107.16	107.16	107.16	107.16	107.16	107.16	107.16	107.16	90	75	CB&Q rfg 5s 71 A.	**	12	78	78	-1%					
109.21 109.21 3% 47-43 reg.	2	107.10	107.10	107.10	107.10	107.10	107.10	107.10	107.10	84	71	CB&Q 4% 77.	**	18	73	73	-1%					
110.17 107.15 3% 47-43	0	107.15	107.15	107.15	107.15	107.15	107.15	107.15	107.15	93	83	CB&Q gen 5s 58.	23	85%	85%	85%	-1%					
110.21 108.21 3% 46-44	37	108.21	108.21	108.21	108.21	108.21	108.21	108.21	108.21	102	98	CB&Q 4s 11 49.	11	95%	95%	95%	-1%					
110.14 107.30 3% 46-44 reg.	1	107.30	107.30	107.30	107.30	107.30	107.30	107.30	107.30	106	97%	CB&Q 3% 11 49.	24	91%	91%	91%	-1%					
115.6 111.21 4s 54-44	3	111.21	111.21	111.21	111.21	111.21	111.21	111.21	111.21	104%	104%	Chl & Erie 4s 40.	**	15	11	104%	-1%					
109.26 106.21 2% 47-45	5	106.26	106.21	106.24	106.24	106.24	106.24	106.24	106.24	100	98	Chl & Erie 5s 52.	22	93%	93%	93%	-1%					
109.12 106.20 2% 47-45 reg.	2	106.20	106.20	106.20	106.20	106.20	106.20	106.20	106.20	30%	19%	Chl & Erie 6s 58.	**	10	93	93	-1%					
115.9 111.20 3% 56-46	9	111.24	111.24	111.24	111.24	111.24	111.24	111.24	111.24	104%	104%	Champion P & F 4% 50.	5	104%	104%	104%	-1%					
111.22 108.18 3% 48-46	108	108.18	108.18	108.18	108.18	108.18	108.18	108.18	108.18	125	118	C & O 4% 52.	9	118%	118%	118%	-1%					
122.2 109.22 3% 43-41 Mch.	17	103.1	102.2	102.22	102.22	102.22	102.22	102.22	102.22	100	94	C & O 3% 6.	60	95%	95%	95%	-1%					
105.17 103.21 3% 43-41 reg.	3	103.21	103.21	103.21	103.21	103.21	103.21	103.21	103.21	107	101	C & O 3% 6.	44	95%	95%	95%	-1%					
109.30 107.16 3% 47-43	1	107.16	107.16	107.16	107.16	107.16	107.16	107.16	107.16	106	98	C & O 3% 6.	26	103%	103%	103%	-1%					
110.21 107.15 3% 47-43	0	107.15	107.15	107.15	107.15	107.15	107.15	107.15	107.15	107	101	C & O 3% 6.	17	98%	98%	98%	-1%					
110.21 107.15 3% 47-43	37	107.15	107.15	107.15	107.15	107.15	107.15	107.15	107.15	107	101	C & O 3% 6.	23	98%	98%	98%	-1%					
110.14 107.30 3% 46-44 reg.	1	107.30	107.30	107.30	107.30	107.30	107.30	107.30	107.30	106	98	C & O 3% 6.	28	98%	98%	98%	-1%					
115.6 111.21 4s 54-44	3	111.21	111.21	111.21	111.21	111.21	111.21	111.21	111.21	104%	104%	Chl & NW rfg 5s 2037.	**	10	91	91	-1%					
109.12 106.20 2% 47-45 reg.	5	106.20	106.20	106.24	106.24	106.24	106.24	106.24	106.24	106	98	Chl & NW rfg 5s 58.	**	10	93	93	-1%					
115.9 111.20 3% 56-46	9	111.24	111.24	111.24	111.24	111.24	111.24	111.24	111.24	104%	104%	Chl & NW rfg 5s 58.	**	10	93	93	-1%					
111.22 108.18 3% 48-46	108	108.18	108.18	108.18	108.18	108.18	108.18	108.18	108.18	104%	104%	Chl & NW rfg 5s 58.	**	10	93	93	-1%					
122.16 109.22 3% 43-41 Mch.	17	103.1	102.2	102.22	102.22	102.22	102.22	102.22	102.22	102	94	Chl & NW rfg 5s 58.	**	10	93	93	-1%					
105.17 103.21 3% 43-41 reg.	3	103.21	103.21	103.21	103.21	103.21	103.21	103.21	103.21	102	94	Chl & NW rfg 5s 58.	**	10	93	93	-1%					
109.30 107.16 3% 47-43	1	107.16	107.16	107.16	107.16	107.16	107.16	107.16	107.16	102	94	Chl & NW rfg 5s 58.	**	10	93	93	-1%					
109.21 109.21 3% 47-43	2	107.10	107.10	107.10	107.10	107.10	107.10	107.10	107.10	102	94	Chl & NW rfg 5s 58.	**	10	93	93	-1%					
109.21 109.21 3% 47-43	37	107.10	107.10	107.10	107.10	107.10	107.10	107.10	107.10	102	94	Chl & NW rfg 5s 58.	**	10	93	93	-1%					
110.14 107.30 3% 46-44	1	107.30	107.30	107.30	107.30	107.30	107.30	107.30	107.30	102	94	Chl & NW rfg 5s 58.	**	10	93	93	-1%					
110.14 107.30 3% 46-44 reg.	3	107.30	107.30	107.30	107.30	107.30	107.30	107.30	107.30	102	94	Chl & NW rfg 5s 58.	**	10	93	93	-1%					
115.6 111.21 4s 54-44	5	111.21	111.21	111.21	111.21	111.21	111.21	111.21	111.21	104%	104%	Chl & NW rfg 5s 58.	**	10	93	93	-1%					
109.12 106.20 2% 47-45	2	106.20	106.20	106.24	106.24	106.24	106.24	106.24	106.24	102	94	Chl & NW rfg 5s 58.	**	10	93	93	-1%					
109.12 106.20 2% 47-45 reg.	5	106.20	106.20	106.24	106.24	106.24	106.24	106.24	106.24	102	94	Chl & NW rfg 5s 58.	**	10	93	93	-1%					
105.21 103.21 3% 43-41 Mch.	17	103.1	102.2	102.22	102.22	102.22	102.22	102.22	102.22	102	94	Chl & NW rfg 5s 58.	**	10	93	93	-1%					
105.21 103.21 3% 43-41 reg.	3	103.21	103.21	103.21	103.21	103.21	103.21	103.21	103.21	102	94	Chl & NW rfg 5s 58.	**	10	93	93	-1%					
109.30 107.16 3% 47-43	1	107.16	107.16	107.16	107.16	107.16	107.16	107.16	107.16	102	94	Chl & NW rfg 5s 58.	**	10	93	93	-1%					
109.21 109.21 3% 47-43	2	107.10	107.10	107.10	107.10	107.10	107.10	107.10	107.10	102	94	Chl & NW rfg 5s 58.	**	10	93	93	-1%					
109.21 109.21 3% 47-43	37	107.10	107.10	107.10	107.10	107.10	107.10	107.10	107.10	102	94	Chl & NW rfg 5s 58.	**	10	93	93	-1%					
110.14 107.30 3% 46-44	1	107.30	107.30	107.30	107.30	107.30	107.30	107.30	107.30	102	94	Chl & NW rfg 5s 58.	**	10	93	93	-1%					
110.14 107.30 3% 46-44 reg.	3	107.30	107.30	107.30	107.30	107.30	107.30	107.30	107.30	102	94	Chl & NW rfg 5s 58.	**	10	93	93	-1%					
109.12 106.20 2% 47-45	5	106.20	106.20	106.24	106.24	106.24	106.24	106.24	106.24	102	94	Chl & NW rfg 5s 58.	**	10	93	93	-1%					
109.12 106.20 2% 47-45 reg.	10	106.20	106.20	106.24	106.24	106.24	106.24	106.24	106.24	102	94	Chl & NW rfg 5s 58.	**	10	93	93	-1%					
105.21 103.21 3% 43-41 Mch.	17	103.1	102.2	102.22	102.22	102.22	102.22	102.22	102.22	102	94	Chl & NW rfg 5s 58.	**	10	93	93	-1%					
105.21 103.21 3% 43-41 reg.	3	103.21	103.21	103.21	103.21	103.21	103.21	103.21	103.21	102	94	Chl & NW rfg 5s 58.	**	10	93	93	-1%					
109.30 107.16 3% 47-43	1	107.16	107.																			

Bond Transactions—New York Stock Exchange—Continued

1940 Range.		Sales in 1000s. High. Low. Last. Chge.				1940 Range.		Sales in 1000s. High. Low. Last. Chge.				1940 Range.		Sales in 1000s. High. Low. Last. Chge.				
High.	Low.					High.	Low.					High.	Low.					
17%	7%	Norfolk Sou 5s 61 ct.	*7	8	84	84	84	-	14	106	101	So Col Pow 8s 47	18	103	101	103	-	14
18%	8%	Norfolk Sou 5s 61 A	*7	29	94	81	91	-	14	102	97	So Kraft 4s 46	50	100	99	100	+ 1	14
12%	17%	Norfolk & W 4s 96	18	119	117	118	-	14	107	104	So Nat Gas 4s 51	13	105	105	105	+ 1	14	
10%	12%	Nor Am Co 3s 58	7	105	104	105	-	14	50%	32	So Pac 4s 68	45	33	32	32	- 3	14	
10%	12%	Nor Am Co 3s 58	25	103	102	103	-	14	50%	31	So Pac 4s 81	60	33	32	32	- 3	14	
10%	12%	Nor Am Co 3s 58	31	102	102	102	-	14	50%	31	So Pac 4s 69	45	34	33	32	- 3	14	
61	45	Nor Ohio 5s 45	*7	1	50	50	50	-	14	50%	31	So Pac 4s 69	60	33	32	32	- 3	14
60%	45%	Nor Pac 8s 2047	160	49	46	49	-	14	48%	30	So Pac 4s 69	26	31	31	31	- 1	14	
54%	40%	Nor Pac 8s 2047 C	9	43	42	43	-	14	58	42	So Pac 4s 46	47	45	45	45	- 2	14	
55%	49%	Nor Pac 8s 2047 D	27	45	45	45	-	14	53	35	So Pac 4s 46	38	37	37	37	- 1	14	
49	33%	Nor Pac 4s 2047	34	39	38	39	-	14	50%	34	So Pac 4s 46	2	65	63	62	- 5	14	
70	57%	Nor Pac 4s 97	22	61	60	61	-	14	84%	57	South By gen 6s 56	21	63	61	61	-	14	
43%	31%	Nor Pac 8s 2047	37	36	35	35	-	14	79%	53	South By gen 6s 56	26	59	57	57	-	14	
110%	105%	Nor Sta Pow 3s 67	39	106	106	106	-	14	91%	83	South By cn 5s 94	22	85	85	85	-	14	
8%	3%	OGDEN & L CH 4s 48	*7	2	4	4	4	-	14	68	46	So Pac 4s 46	46	44	44	45	- 1	14
110	104%	Ohio Ed 65	7	106	105	105	-	14	66	56	So Pac 4s 46	66	56	56	56	-	14	
110%	104%	Ohio Ed 3s 65	42	105	104	106	-	14	112	108	So W Bell Tel 3s 65	16	103	103	103	-	14	
110%	104%	Ohio Ed 3s 65	102	102	102	103	-	14	23%	15	Spokane Int 5s 55	41	15	15	15	-	14	
107	103%	Oklahoma G & E 3s 66	6	108	107	107	-	14	107	104	Staley Mfr 4s 46	10	104	104	104	-	14	
108%	94%	One Pw N 5s 43	2	94	94	94	-	14	106%	101%	Stand Oil N J 3s 61	31	103	102	103	+ 1	14	
111%	108%	Ore R R & Nav 4s 46	14	108	108	108	-	14	79%	53	South By gen 6s 56	60	103	102	103	-	14	
118%	113%	Ore Sh Line 5s 46	1	113	113	113	-	14	113%	81	Studebaker cv 6s 45	73	89	87	87	-	14	
119	113	Ore Sh Lin gld 5s 46	8	114	113	114	-	14	108%	104%	Swift & Co 3s 50	25	104	104	105	+ 1	14	
110%	105%	Ore-Wash R R & N 4s 61	66	104	104	105	-	14	115%	112	T R R A ST L 5s 44	16	112	112	112	-	14	
112%	105%	PAC G & EL 3s 66	23	107	105	105	-	14	114%	112	T R R A ST L 4s 43	35	106	105	105	-	14	
112%	105%	Pac G & E 3s 61	32	109	108	108	-	14	92	76	Texark & Ft Sm 5s 50	2	79	76	79	- 3	14	
113%	109%	Pac Gas & E 2s 64	52	111	110	111	-	14	108%	103%	Tex Corp 3s 51	41	103	103	103	-	14	
110%	103%	Pac T&T 3s 66 B	16	105	105	106	-	14	108%	102%	Tex & N O 3s 59	41	102	102	102	-	14	
112	104%	Pac T&T 3s 66 C	1	105	105	105	-	14	67	55	Tex & F 1st 2s 2000	1	64	64	64	-	14	
105	103%	Panhandle E P 4s 52	5	104	104	104	-	14	72%	53%	Tex & F pac 5s 75	12	105	105	105	-	14	
51%	42%	Parkway 2s 55 ct	5	42	42	42	-	14	72%	53%	Tex & F pac 5s 79 C	13	55	53	53	-	14	
90%	39%	Park Pkwy cv 3s 47	7	76	76	76	-	14	72%	53%	Tex & F pac 5s 80 D	17	55	53	53	-	14	
107%	99%	Pen Co 4s 52 E	3	100	99	99	-	14	25%	11%	Third Ave 5s 60	1188	14	12	12	-	14	
105	95%	Pen Co 4s 52 E	31	100	98	98	-	14	62%	45	Third Ave 4s 60	20	47	46	46	-	14	
101%	94%	Pen Gt Sand 4s 60	11	102	101	101	-	14	107%	105%	Third Ave 4s 60	107	105	105	105	-	14	
91%	94%	Pen Gt Sand 4s 60	91	96	96	96	-	14	99%	83	Third Ave 4s 60	11	83	82	82	-	14	
99%	84%	Pen Gt Gen 4s 81	49	82	80	80	-	14	109%	105%	UN EL MO 3s 62	8	107	106	107	+ 1	14	
99%	84%	Pen Gt Gen 4s 81	99	91	89	91	-	14	104%	100%	UNION Oil Cal 3s 59	6	101	101	101	+ 1	14	
109%	102%	Pen Gt Gen 4s 81	71	106	105	106	-	14	115%	110%	UNION Oil Cal 3s 59	64	111	110	110	-	14	
109%	102%	Pen Gt Gen 4s 81	102	104	104	105	-	14	104%	103%	UNIPAC 3s 51	9	104	103	103	-	14	
110%	102%	Pen Gt Gen 4s 81	91	97	96	97	-	14	99%	92	UNIT BAN 3s 55	10	94	93	93	-	14	
109%	102%	Pen Gt Gen 4s 81	99	91	89	91	-	14	104%	104%	UNIT Ck-WH Strs 5s 52	6	60	58	58	-	14	
111%	107%	Pen Gt Gen 4s 81	101	108	108	108	-	14	89%	75%	UNIT Drug 5s 53	31	77	75	75	-	14	
115%	111%	Pen Gt Gen 4s 81	16	111	110	111	-	14	104%	104%	UNIT Ld & Trac 5s 44	50	95	97	97	+ 1%	14	
92	81%	Pen Gt Gen 3s 70	27	83	81	81	-	14	104%	104%	UNIT P & L 5s 44	72	98	96	98	+ 2	14	
87%	76%	Pen Gt Gen 3s 70	83	77	76	77	-	14	97%	81	UNIT P & L 5s 59	77	77	77	77	-	14	
116	110%	Pen G L&C 6s 43	1	110%	110%	110%	-	14	111%	107%	VA & EL & POW 5s 68	14	107	107	107	-	14	
70	54%	Pen G L&C 6s 43	3	112%	112%	112%	-	14	109%	102%	Virginia Ry 3s 66	49	105	104	104	-	14	
107	104%	Pen G L&C 6s 43	4	57	57	57	-	14	107%	102%	Virginia Ry 3s 66	49	105	104	104	-	14	
71	51%	Pen G L&C 6s 43	5	57	57	57	-	14	4%	48	WABASH rig 5s 75	14	54	54	54	-	14	
62	45%	Pen Mar 5s 50	7	57	54	54	-	14	45%	30	Wabash 1st 5s 39	10	31	30	31	-	14	
60	45%	Pen Mar 5s 50	42	48	45	50	-	14	20%	20	Wabash 2d 5s 39	10	31	30	31	-	14	
62	45%	Pen Mar 5s 50	49	47	45	48	-	14	47%	47%	Wabash 2d 5s 39	10	31	30	31	-	14	
111%	107%	Phelps Dodge 3s 52	26	108	107	108	-	14	102%	102%	Wabash 2d 5s 39	10	31	30	31	-	14	
110%	109%	Phil Bal & Wash 4s 43	2	109	108	108	-	14	104%	104%	Wabash 2d 5s 39	10	31	30	31	-	14	
106%	103%	Phil Co 4s 52	34	105	104	105	-	14	104%	104%	Wabash 2d 5s 39	10	31	30	31	-	14	
4	24%	Phil Read Gt cv 4s 49	2	24	24	24	-	14	45%	30	Wabash 2d 5s 39	10	31	30	31	-	14	
15	9%	Phil Read Gt cv 4s 49	10	104	104	104	-	14	20%	20	Wabash 2d 5s 39	10	31	30	31	-	14	
8%	3%	Philippine 4s 37	1	104	104	104	-	14	104%	104%	Wabash 2d 5s 39	10	31	30	31	-	14	
112%	104%	Phillips Pet 3s 48	53	106	104	106	-	14	104%	104%	Wabash 2d 5s 39	10	31	30	31	-	14	
108%	94%	PCC & S L 5s 70 A	4	101	99	101	-	14	104%	104%	Wabash 2d 5s 39	10	31	30	31	-	14	
107%	99%	PCC																

Transactions on the New York Curb Exchange

For Week Ended Saturday, June 8

Stocks and bonds marked with a dagger are fully listed on the Curb Exchange; others are dealt in as unlisted issues.

Range	1840	Stock and Dividend	Net				
			High.	Low.	Last.	Chg.	Sales.
7	4%	AERO S B (.20g.)	↑ 5%	5	5	—	2,200
61	4	Ainsworth (1g.)	↑ 4%	4%	4%	—	200
14%	10	Air Assoc (1%)	↑ 11%	11	11	+ 1%	200
3%	1	Air Investors	↑ 2	2	—	—	75
75	58	Air Govt. (36) xd.	↑ 2	2	—	—	80
18%	54	Air Govt. (36) pf (?)	↑ 94	92%	94	+ 2	30
96	50	Air Govt. (6) (6)	↑ 85	82	85	+ 3	30
24	2	Allies & Fisher	↑ 2%	2%	2%	+ 1%	200
129%	128%	Alum Co Am (2e)	↑ 153	145	151	+ 1	2,350
118%	108	Alum Co Am pf (6)	↑ 113	110	112	+ 2%	650
18%	16	Alum Goods (60e)	↑ 184	164	167	+ 3	100
11%	55	Alum Ind. (15e)	↑ 54	56	54	—	150
110%	42%	Alum. Ltd (36)	↑ 58	50	56	+ 1	1,000
49%	37	Alum. Ltd (4)	↑ 37%	37	37%	+ 1%	300
7	4	Am Box Board	↑ 4%	3	4	+ 1%	100
9	6	Am Centralized	↑ 3%	3	3	—	100
35	25%	Am C & L. A. (3h)	↑ 25%	25%	25%	+ 2%	25
11%	9	Am Cit F & L B.	↑ 9%	8	9	+ 1%	300
39%	26	Am Cyan (60)	↑ 32%	30%	31%	+ 1%	8,200
19%	84	Am Exp L (1g.) xd.	↑ 94%	84%	94	+ 1	4,000
14%	91	Am Fork & H (70e) xd.	↑ 11%	11%	11%	+ 1%	4,700
39%	24	Am Gen & M (1,60)	↑ 24%	24	24	+ 1%	4,700
2%	2	Am Gen	↑ 2%	2%	2%	+ 1%	300
31%	22%	Am Gen 32 pf (2)	↑ 24	23%	24	+ 1%	300
19%	11	Am Hard Rub	↑ 11	11	11	—	100
18%	13%	Am Lann Mch (50a)	↑ 13%	13%	13%	+ 1%	300
16%	11%	Am L & T (1,20)	↑ 12%	11%	12	+ 1%	1,300
4%	4	Am Marescalio	↑ 4%	4	4	—	12,500
36	23	Am Meter (1g.)	↑ 27%	27	27	+ 1%	200
100%	70	Am Oil & Co (4,40g.)	↑ 71%	55	64	+ 4	200
10%	54	Am Republics	↑ 54%	53	54	+ 1%	1,000
5%	34	Am Seal-K (12e)	↑ 4%	3	4%	+ 1%	600
7%	4	Am Superpow	↑ 4%	4	4	—	700
45	48	Am Suppw 1 pf (6)	↑ 50%	48	48	—	250
17	6	Am Suppw pf	↑ 8	7%	7%	+ 1%	300
34%	21	Am Thread pf (34)	↑ 3	3	3	—	600
2%	16	Am Nat Gas	↑ 16%	16	14	—	2,800
60%	59	Am Nat Gas A	↑ 59%	58	59	+ 1%	2,800
6%	4	Art Met W (30e) xd.	↑ 4%	4	4	—	600
54%	48	Ashtead O&E (40)	↑ 48%	48	48	—	200
1%	4	Asse G & E	↑ 4%	4	4	—	200
1%	4	Asse G & E A	↑ 4%	4	4	—	1,400
54%	1	Asse G & E I pf	↑ 1%	1	1	—	200
1%	4	Asse G & E I pf	↑ 1%	1	1	—	200
22%	14	Atch L C & Co (1g.)	↑ 2	1%	1%	—	1,000
24%	12	Atch L C & Co (1g.)	↑ 13%	12	12	—	510
4%	2	Atch Corp war	↑ 2%	2	2	—	200
4	2	Atch D For (20e)	↑ 2%	2	2	+ 1%	100
19%	11%	Atch Ply (5e.)	↑ 13%	13	13	—	4,400
15%	11	Austria Silv M	↑ 11%	11	11	—	100
34%	31	Auto V Mich (1%)	↑ 4%	4%	4%	+ 1%	200
73%	34	Avery & Sons	↑ 4	4	4	—	200
14%	12	Avery & S pf xw (1%)	↑ 15	12	15	+ 2	250

Range	1940	Stock and Dividend	Net							
			High.	Low.	in Dollars.	High.	Low.	Last.	Chge.	Sal.
1%	11	Corrigan & Rey	↑	11	11	11	—	—	—	1
2%	11	Cosden Petro	↑	12	11	11	—	—	—	2.3
13%	61	Cosden Petro pf	↑	84	73	75	+ 14	—	—	2.3
24%	14	Crookle Pet (1/4a)	↑	154	144	154	+ 20	—	—	2.8
6%	34	Crock-Whn El M	↑	34	33	37	+ 4	—	—	1.1
8%	14	Crook-Brown	↑	14	14	14	—	—	—	1.1
11%	4	Crown C. Int'l (1/4a)	↑	4	4	4	—	—	—	1.1

1/2 Crown Drug (.056)		1	1	1	1	1	1
19%	8% DAYTON RUB (1/2e)	10	10	10	-	1	2
32	21% Darton Rub A (2)	24	24	24	-	2	2
8	4% Deces Res (.60)	4%	4%	4%	+ 1	7	7
5	3% Denair Strs (20e)	3	3	3	-	1	1
17%	7% Denison Minifig A	1/2	1/2	1/2	+ 1	1	1
27/2	14% Des M pr pf (3e)	204	204	204	+ 1	1	1
11%	12% Det Mich Steve	1/2	1/2	1/2	+ 1	2	2
22	14% Det St Prod (4e)	134	13	13	-	1	1
1%	11% Distill Liq.	1/2	1/2	1/2	-	1	1
78	58% Draper Corp (3a)	59/2	58/2	58/2	+ 1	2	2
64	62% Duke Power (11e)	72	68	85/2	+ 1	2	2
8%	5% Duval Tex Sul (3e)	6	5	54/2	+ 1	2	2
12%	8% EAGLE PICH LD.	8%	7/2	8%	+ 1	1	1
24%	1% Ecoline Gas & F	2	2	2	-	1	1
12%	12% East Gas & F 6 pf	15/2	15/2	15/2	-	1	1
55%	28% East Gas & F pr pf (214k)	43/2	40	42	+ 1	0	0
28	13% East Sta pf A	14	14	14	-	1	1
4%	2% Easy W M B (1e)	3	2	3	+ 1	1	1
84	3% El Bon & Sh	4/2	3/2	4/2	+ 1	10	10
73	51% El Bond & Sh pf (6)	59	53/2	54/2	+ 1	4	4
64%	42% El Bond & Sh 35 pf (5)	50/2	46	49	+ 1	4	4
31	14% El L 2 pf A	9/2	9/2	9/2	-	1	1
54%	3% El P & L war	1/2	1/2	1/2	-	1	1
3%	Emerson Elec	3	3	3	-	1	1
71%	58% Emp G & F 7% pf	63	63	63	+ 1	1	1
70	57% Emp G & F 6% pf	61	61	61	+ 1	1	1
70	57% Emp G & F 6% pf	61	58/2	58/2	+ 1	1	1
17%	Equity Corp	1/2	1/2	1/2	-	1	1
25%	19% Equity Corp 52 pf (3)	204	192	20	-	1	1
54%	2% Equis Inc (60)	34	27	31/2	+ 1	1	1
12%	7% FAIRCHILD AV	9/2	9/2	9/2	-	1	1
67%	4% Fairch En & Air	5/2	4/2	5/2	+ 1	8	8
10%	6% Fairstaff Br (.80)	7	6	6	-	1	1
15%	8% Faunsteel Met	9/2	8	8	-	1	1
8%	5% Fedders Mfg (.15e)	7	6	6	-	1	1
70	14% Fieldo Brew	1/2	1/2	1/2	-	1	1
51/2	51/2 Fieldo Brew Pf (2a)	52	53	53	+ 1	1	1
11%	84% Ford C Cntr & 37 pf (13k)	86	95	95/2	+ 1	1	1
17%	5% Ford C Cntr & 1 (1)	10	10	10	-	1	1
3	5% Ford M Can B (1)	9/2	9/2	9/2	-	1	1
17%	14% Ford Mot Ltd (.16g)	1/2	1/2	1/2	-	1	1
17%	14% Fox (P) Brew (1a)	15/2	15/2	15/2	+ 1	1	1
32%	19% Frenchauf Tr (.60e)	22	21	21	-	1	1
15%	5% GEN EL LTD (.67g)	5	5	5	-	1	1
48	25% Gen S B pf	264	264	264	-	1	1
1%	5% Gen Share	11	11	11	-	1	1
10%	10% Gen T & pf A (6)	104	104	100/2	+ 1	2	2
4%	4% Gibson A (1e)	4/2	4/2	4/2	-	1	1
95%	52% Gien Ald Coal (1/2e)	64	57/2	67/2	+ 1	2	2
32%	20% Godchanc Sug A (2)	22	21	21	+ 1	1	1
11%	5% Godchanc Sug B	5/2	5/2	5/2	-	1	1
105%	93% Godchanc Sug pf (7)	95	95	95	-	1	1
17	11% Gorl Inc pf	11	11	11	-	1	1
111%	5% Gray Mfg	6	6	6	+ 1	1	1
111%	5% Gray Mfg (1e)	8	8	8	-	1	1
135	123/4 Gia A&P 1st pf (7)	125	123/4	123/4	+ 1	1	1
49%	36% Gt Nor Pap (1e)	36	36	36	-	3	3
100%	64% Green T & D	84	8	8	+ 1	4	4
39%	25% Gulf Oil (1)	264	254	254	+ 1	1	1
111%	102% Gulf S U 5/8e pf (5%)	102%	102	102	-	1	1
14	51% HALL LAMP (1/2e)	8/2	8/2	8/2	-	1	1
40%	20% Hammern P (1/2e)	22/2	21	21	-	1	1
1%	11% Hartford Ry vtc	1/2	1/2	1/2	-	1	1
2	14% Harry Brew (.05e)	1/2	1/2	1/2	-	1	1
29	16% Hazelton (3)	18	18	18	-	1	1
31	1/2% Heaven D Strs	2/2	1/2	2	+ 1	1	1
7/2	4% Hecla Min (20e)	4/2	4/2	4/2	-	1	1
62	10% Heylandt Chem (3)	6/2	6/2	6/2	-	1	1
60	61% Heylandt & Co A	6/2	6/2	6/2	-	1	1
12	54% Holling Gold (.65e)	6/2	6/2	6/2	-	1	1
35%	12% Horn & Hard (2)	27/2	27/2	27/2	-	1	1
65	47% Humble Oil (1e)	51/2	49	50	-	1	1
91%	44% Hunt-Ross F (.30e)	5/2	5/2	5/2	-	1	1
47%	28% Hygry Syr (1/2e) xd	34/2	32	34/2	+ 1	1	1
51%	111% ILLINOIS POW	3	3	3	-	1	1
9/2	41% Ill Iowa Pw div ct	5/2	5	5	-	1	1
33%	21/2 Ill Iowa Pow pf	26	25	25	-	1	1
12%	58% Imp Oli Ltd (3a)	6/2	6/2	6/2	-	1	1
7%	51% Linn L (10e)	6/2	6/2	6/2	-	1	1
22	10% Ind Svc 6% pf	12	12	12	-	1	1
113	102/4 Indus E L P pf (6%)	104/2	104	104/2	+ 1	1	1
73%	50% Indus Finsan (3a)	58/2	52/2	52/2	+ 1	1	1
23%	17% Inns Co Ne Am (3a)	18	17/2	17/2	-	1	1
15%	6% Int Cig Mach (2)	6/2	6/2	6/2	-	1	1
2%	6% Int Hyd-EI pf	6/2	6	6	-	1	1
2%	1% Int Indust (10g)	1/2	1/2	1/2	-	1	1
2%	1% Int Pap & Pow war	2/2	2/2	2/2	-	1	1
19%	9/2 Int Petrot (1/2e)	10/2	9/2	10/2	+ 1	1	1
19%	9/2 Int Petrot (1/2e)	10/2	10/2	10/2	-	1	1
9%	6% Int Prod (1e)	6/2	6/2	6/2	-	1	1
6	6% Int Utili A	6	6	6	-	1	1
6	6% Int Utili B	6	6	6	-	1	1
4%	2% Int Vitamin (30)	3/2	3	3	+ 1	1	1
18%	10% Home Eq (2)	7/2	7	7	-	1	1
17%	12% Hormel Finned vtc (1.20)	12/2	12	12	-	1	1
17%	12% Irvac Air Chute (1)	14/2	13/2	13/2	-	1	1
17%	12% Irtail Superpow	1/2	1/2	1/2	-	1	1
3%	1% JACOBS (F L)	1/2	1/2	1/2	-	1	1
90	90% Jer C F & L 5 pf (7) xd	93	92	92	+ 1	3	3
97	97% Jer C F & L 7 pf (7) xd	99/2	99/2	99/2	+ 1	4	4
36	18% Jones & Laugh Steel	20/2	19/2	19/2	-	1	1
95%	81% KING'S CO LTD pf B (7)	81/2	81/2	81/2	-	3	3
73%	55% Kings Co Lig pf D (5)	56	55	56	-	10	10
2	1% Kingston Prod	1/2	1/2	1/2	-	1	1
15	11% Klein (E) (1)	1/2	11/2	11/2	-	1	1
10%	9% Kleinert (40e)	9	9	9	-	1	1
90%	75% Koppers Co pf (6)	77/2	77	77	+ 2	1	1
12%	11% Kreiss (S H) pf (.60)	12/2	12/2	12/2	+ 1	1	1
43%	35% LACK R E N J (4)	35	35	35	-	5	5
25%	11% Lake Shore M (1e)	12/2	11	11	-	1	1
4%	2% Lakey Fdy & M	3/2	2/2	3/2	+ 1	4	4
12%	9/2 Lane-Wells (1a)	9/2	9/2	9/2	-	1	1
33%	21/2 Lemont (1)	21/2	21/2	21/2	-	1	1
3%	11% Leonard G & N	1/2	1/2	1/2	-	1	1
12%	7% Leonard Oil Dev	1/2	1/2	1/2	-	1	1
12%	7% Linn Material (1.5e)	8/2	8	8	+ 1	1	1
13%	10% Locke S Ch (1.20a)	11/2	10/2	11/2	+ 1	1	1
10%	7% Lone S Gas (.20e)	8/2	8/2	8/2	-	1	1
1%	4% Lone L Igt	3/2	3/2	3/2	-	1	1
44%	24% Long L Igt	24/2	24	24	-	1	1
24%	14% Loudon Pack	14/2	14	14	+ 1	1	1
6%	3% Louis L & E (.20e)	4/2	4/2	4/2	-	1	1
106%	92% Louis L & E 6% pf (6)	92	92	92	-	7	7
25	21% Louis Baum pf	25	25	25	-	1	1
29/4	20% Lynch Corp (2)	21	20/2	21	-	1	1
1%	14% MAJESTIC R & T	1/2	1/2	1/2	-	1	1
17%	11% Mangal Strs	1/2	1/2	1/2	-	1	1
42%	21/2 Master E (1.20e) xd	30/2	29/2	29/2	-	1	1
91%	4% McW ill Dredg	5/2	4/2	5	+ 1	1	1
170%	123% Med John (3a)	120	124	120	+ 2	1	1
5%	36% Memphis G (1.5e)	4	3/2	4	+ 1	1	1
4%	28% Memphis G & S (1.10e)	26/2	25/2	25/2	+ 1	1	1
4%	19% Merritt C & S (1.10e)	26/2	25/2	25/2	+ 1	1	1
67%	50% Merri C & S pf A	53/2	50/2	50/2	+ 1	1	1

Range 1940		Stock and Dividend in Dollars.			High.		Low.		Last.		Chg.		Sales	
High.	Low.													
7%	4%	Mich Bumper		↑ 7%	5%	5%	↑ 3%	5%	↑ 3%	5%	↑ 1%	5%	12,700	
8%	4%	Mich S Tube	(.30e)	↑ 4%	4%	4%	↑ 4%	4%	↑ 4%	4%	↑ 1%	4%	10,000	
14%	8%	Michigan Sag		↑ 8%	8%	8%	↑ 8%	8%	↑ 8%	8%	↑ 1%	8%	10,000	
8%	5%	Michigan Home	(.15e)	↑ 8%	8%	8%	↑ 8%	8%	↑ 8%	8%	↑ 1%	8%	6,000	
8%	5%	Michigan P B Vtc	(.10e)	↑ 8%	8%	8%	↑ 8%	8%	↑ 8%	8%	↑ 1%	8%	6,000	
120%	97%	Midwest (2%)		↑ 100%	102%	102%	↑ 102%	102%	↑ 102%	102%	↑ 1%	102%	2,000	
20%	14%	Mid-West. Ahern		↑ 14%	14%	14%	↑ 14%	14%	↑ 14%	14%	↑ 1%	14%	2,000	
8%	6%	Midwest OH	(.90e)	↑ 6%	6%	6%	↑ 6%	6%	↑ 6%	6%	↑ 1%	6%	30,000	
70%	42%	Minn M & M	(.60e)	↑ 50%	47%	47%	↑ 50%	47%	↑ 50%	47%	↑ 3%	47%	30,000	
5%	3%	Missouri F Svc		↑ 3%	3%	3%	↑ 3%	3%	↑ 3%	3%	↑ 1%	3%	20,000	
11%	5%	Moch J Voch	(.4e)	↑ 6%	6%	6%	↑ 6%	6%	↑ 6%	6%	↑ 1%	6%	20,000	
9%	5%	Mondelezam		↑ 7%	6%	6%	↑ 6%	6%	↑ 6%	6%	↑ 1%	6%	2,900	
41	24%	Monarch M T	(1%)	↑ 37%	36%	36%	↑ 37%	36%	↑ 37%	36%	↑ 4%	36%	2,900	
		Monogram Paper												
171	139%	Montgomery Ward	(7%)	↑ 145%	143%	143%	↑ 145%	143%	145%	143%	↑ 2%	143%	22,000	
26	15%	Montreal L H & P	(1%)	↑ 145%	143%	143%	↑ 145%	143%	145%	143%	↑ 1%	143%	11,000	
30	22%	Moody In pt pf	(3%)	↑ 22%	22%	22%	↑ 22%	22%	22%	22%	↑ 1%	22%	1,000	
4%	2%	Mt City Copper		↑ 3%	2%	2%	↑ 3%	2%	2%	2%	↑ 1%	2%	1,800	
6%	4%	Mount Prod	(.60e)	↑ 5%	4%	4%	↑ 5%	4%	4%	4%	↑ 1%	4%	4,000	
21%	12%	Mount St Pw	(1e)	↑ 14%	14%	14%	↑ 14%	14%	14%	14%	↑ 1%	14%	10,000	
142	127	Mount St T & T	(7%)	↑ 127%	127%	127%	↑ 127%	127%	127%	127%	↑ 15%	127%	1,000	
13%	6%	Mur Oh Mfg	(.4e)	↑ 8%	8%	8%	↑ 8%	8%	8%	8%	↑ 1%	8%	10,000	
10%	6%	Muskogee	(.4e)	↑ 6%	6%	6%	↑ 6%	6%	6%	6%	↑ 1%	6%	10,000	
17%	11%	Muskogee P R	(.60e)	↑ 12%	12%	12%	↑ 12%	12%	12%	12%	↑ 1%	12%	5,000	

125	95	QUAKER OATS (5)	97	95	95½	2½
154	142	Quaker Oats pf (6)	145	142	142	
10½	5½	RWY & LGT SEC. (.30g.)	5½	5½	5½	16
	14	Ryan Conn.	7½	7½	7½	1
27%	14	Red Bull Oil	1+	1	1	
20½	16½	Red Rock Bit Co.	1+	18	18	+
12½	10	Reliance Ind. Co. (2e)	1+	17½	18	+
6½	4½	Republiec Avia.	1+	14	14	5%
19½	12½	Rheem Mfg. (1)	1+	12½	12½	12½
	7½	Rho Grade Val G vtc.	1+	3½	3½	1½
104	95	Rock Ch. & E pf C (6)	97	97	97	2+
100½	95	Rock Ch. & E pf C (6)	97½	97½	97½	+ 3½
12½	11	Rockwell Ind. (1) x (2)	11½	11½	11½	
	6	Rome Cable (30e)	1+	16	16	
3½	1½	Root Pet.	1+	1¾	1¾	1¾
65	42½	Royal Type (2e)	4½	42½	42½	3½
5	2½	Russeks F Ave.	2½	2½	2½	
15½	8	Rustless I & S (.30e)	10	9½	9½	+
2½	1½	Ryanos Cons Pet.	1½	1½	1½	+
2	½	Ryerson & Hay	½	½	½	½
4½	2½	ST REGIS PAP	2½	2½	2½	
5½	4½	St Regis Pap pf	55	55	55	+ 1½
9½	4½	Salt Dome Oil	5	5	5	5%
1½	½	Samsom Unit	½	½	½	½
14	8	Sand Oil Co.	10	10	10	
34	22½	Scovill Mfg. (½e)	25½	25½	25½	
9½	4½	Seulin Steel	6½	6½	6½	
1	½	Seulin 841 war	½	½	½	
1½	½	Segal Loch & H	½	½	½	
8½	3½	Seiberling Rub.	4½	4	4	+
6½	2½	Sealed Indus.	2½	2½	2½	+
6½	2½	Sealed Indus. Inv	2½	2½	2½	+
6½	3½	Sheat-Don	2½	2½	2½	+
18½	10	Shaw W. & F. (9e)	10½	10½	10½	

Transactions on the New York Curb Exchange—Continued

Range 1940	Stock and Dividend in Dollars.	Net	1940 Range.	Sales	Net	1940 Range.	Sales	Net
High. Low.	High. Low. Last. Chge.	Sales.	High. Low.	in 1000s.	High. Low. Last. Chge.	High. Low.	in 1000s.	High. Low. Last. Chge.
100 65 Sherwin-Williams Co. (14c)	69 67 67 + 1/2	450	105% 90% Am P & L 5s 2016	37	83 1/2 91 1/2 91 1/2 - 1/4	71% 51 New England G & E 5s 47	54	51 1/2 52 - 1
114% 100 Sherw-Wmns Pf (15c)	110 108 110 104 - 1/2	180	108% 103% Appel El Pow 4 1/2 48	7	104 1/2 104 104% - 1/2	94% 93 New England Pow 5 1/2 54	94 1/2 93 1/2 94 + 1/2	
1% 14 Simm Har & Pt	4 3 4 3 + 1/2	7,800	111% 108% Appel El Pow 4 1/2 63	14	108 1/2 107 1/2 108% - 1/2	99% 88% New England Pow 5 1/2 48	91 1/2 88 1/2 91 - 1/2	
1% 14 Simplicity Pat	4 3 4 3 + 1/2	200	108% 102% Ark P & L 5s 56	36	104 1/2 104 104% + 1/2	11% 105% New England Pow Co 3 1/2 61	2 107 1/2 106% + 1/2	
155 100 Singer Mfg (10c)	107 105 107 - 1	430	82% 38% Am Elec 4 1/2 53	31	42 41 41 - 1/2	102% 104% New Eng P & S 6s 47	25 98 100% + 1/2	
24 14 Sanomat (10c) xd	14 13 13 + 1/2	2,300	26% 18% Am Gas & El 5s 50	21	11 11 11 - 1/2	102% 104% New Eng P & S 6s 54	5 101 1/2 102% + 1/2	
5 3% Sosa Mfg (06c)	33 32 33 + 2/3	1,000	28% 10% Am Gas & El 5s 71	10	11 11 11 - 1/2	111% 114% New Y & West L4 5s 54	1 114 1/2 113 1/2 114 - 1/2	
44 28 So Penn Oil (12c)	33 32 33 + 2/3	1,000	28% 10% Am Gas & El 5s 68	5	11 11 11 - 1/2	106% 102% New Y & West L4 4s 2004	1 104 104 104 + 1/2	
30% 27 So St Ed B pf (1%)	26 25 26 + 1/2	300	26% 10% Am Gas & El 4 1/2 49	5	12 11 11 - 1/2	95% 81 New Y Pen & G 4 1/2 50 wa	5 91 91 91 + 1/2	
30% 21 So St Ed B pf (1%)	26 25 26 + 1/2	300	110% 103% Atlan City E 3 1/2 64	45	105 104% 105% + 1/2	105% 102% New Y St E & G 4 1/2 80	27 103% 102% 103% + 1/2	
30% 21 So Col Pow E (1%)	18 17 17 + 1/2	1,000	107% 104% Atlan Gas L 4 1/2 55	28	105% 104% 105% + 1/2	109% 104% New Y St E & G 3 1/2 64	11 105% 105% 105% + 1/2	
11% 4% Soa Pipe L (14c)	8 7 7 + 1/2	200	130% 95% BALDW LOCO 6s 50	140	109% 103% 105% + 1/2	108% 93% New Eng G & E 5s 47	54 51 1/2 52 - 1	
4% 2% Soa Union Gas	3 3 3	100	116% 88% Bell Tel Coa 5s 57 B	48	91 88 90% - 1/2	99% 88% New Eng Pow 5 1/2 48	34 91 1/2 89 1/2 91 - 1/2	
7% 5% South Roy (15c)	5 5 5 + 1/2	200	117% 89% Bell Tel Coa 5s 60 C	43	91 89 90% - 1/2	111% 105% New Eng Pow Co 3 1/2 61	2 107 1/2 106% + 1/2	
16% 16 Spalding Int pf	10 9 10 + 2/3	300	125% 130% Bell Tel Coa 5s 63	130	128 128 128 + 1/2	102% 100% New Eng Pow Co 3 1/2 61	25 98 100% + 1/2	
16% 16 Stand Corp S (60c)	7 7 7 + 1/2	300	99% 90% Birn El 4 1/2 53	12	93 92 93 - 1/2	104% 102% New Eng Pow Co 3 1/2 61	5 101 101 101 + 1/2	
14% 14 Stand Dredg Co (1.00)	17 16 17 + 1/2	100	99% 90% Birn El 5s 59	9	91 90% 90% - 1/2	109% 104% New Eng Pow Co 3 1/2 61	8 105 105 105 + 1/2	
20% 18 Stand Off Ky (1)	17 17 17 + 1/2	800	103% 102% Broad Riv P 5s 54	3	96 95 95 - 1/2	106% 101% New Eng Pow Co 3 1/2 61	102 102 102 + 1/2	
41% 25 Stand Off Ohio (1)	28 25 28 + 1/2	700	100% 65 CAN NOR P 5s 33	20	66 65 65 - 1	111% 107% OGDEN GAS 5s 45	2 108% 107% 107% + 1/2	
6% 6 Stand Prod (14c)	6 6 6	500	83% 63 Can Pac 6s 42	64	63 63 64 + 1	109% 103% Ohio Power 3 1/2 68	6 105% 105% 105% + 1/2	
40% 19 Stand St Spring (14c)	21 20 21 + 1/2	500	107% 103% Care P & L 5s 56	1	103% 103% 103% - 1/2	109% 103% Ohio P & S 4s 56	43 108% 106% 107% + 1/2	
1% 1% Stein (A) Co (1)	10 9 10 + 1/2	100	101% 95% Con Pow 5s 57 D	3	97 96% 97% - 1/2	109% 104% Okla Nat Gas 3 1/2 55	8 105% 105% 105% + 1/2	
9% 9 Stein Al Prod	6 6 6	800	41% 25% Con Pow 5s 54	26	25 25 25 - 1/2	105% 100% Okla Nat Gas 3 1/2 55	1 100% 100% 100% - 1/2	
34% 14 Sterling Inc. (20c)	2 1 2 + 1/2	600	41% 25% Con Pow 5s 48	28	27 27 27 + 1/2	110% 107% PAC G & E 6s 41 B	7 107% 107% 107% + 1/2	
2% 11 Sunray Oil (05c)	34 34 34 + 1/2	100	106% 103% Chm & H Mid 4 1/2 56	5	104 103% 103% + 1/2	100% 97% PAC G & E 6s 42	69 100% 100% 100% - 1/2	
40% 33 Sunray Oil cv pf (2%)	34 34 34 + 1/2	100	93% 93 Cm Ry 5s 27 ct	41	43 40 40 - 1/2	100% 97% PAC G & E 6s 42	102 102 102 + 1/2	
36 21 Superior Oil Coa	22 21 22 + 1/2	200	95% 80 Con St Ry 5s 52	1	80 80 80 - 1	107% 101% PAC G & E 6s 50	9 100% 100% 100% - 1/2	
6 2% TAGGART	3 2% 2% + 1/2	1,000	76% 66 Cities Ser 5s 69	31	71 1/2 71 1/2 71 1/2 + 1/2	108% 102% PAC G & E 6s 50	18 102% 101% 102% + 1/2	
36% 25 Tampa El (2.24)	26 26 26 + 1/2	200	80% 60 Cities Ser 5s 68	4	74 73 73 + 1/2	109% 102% Pac Pub 5s 47 C	2 107% 106% 107% + 1/2	
19% 19 Taylor (K) Dist	1 1 + 1/2	100	77% 66 Cities Ser 5s 50	3	71 70 70 + 1/2	93% 91 Pac Pub 5s 47 C	6 92 92% 92 + 1/2	
16% 8% Technicolor (12c)	10 9 10 + 1/2	1,200	92% 75 Cities Ser Pow 4 1/2 54s 49	317	72 71 71 + 1/2	90% 95 Pac Pub 5s 47 C	3 95% 95% 95% + 1/2	
24% 24% The Shovel	14 13 14 + 1/2	250	92% 76 Cities Ser Pow 5s 52	63	81 79 81 + 1/2	115% 110% Phila El P 5s 72	10 114 113% 113% + 1/2	
15% 15% The Rock	11 10 11 + 1/2	200	97% 81 Comm P & L 5s 57	26	88 85 86 + 1	106% 104% Phila Nat Gas 3 1/2 52	3 95% 94% 94% + 1/2	
48% 48% The Allis Chalmers (1c)	50 49 49 + 1/2	150	111% 105% Con GEL Coa 3 1/2 71	15	107 105% 107% + 1/2	109% 107% Potomac Ed 5 1/2 56 E	10 108 107% 107% + 1/2	
5% 5% Tech Pr Exp (40c)	4% 4% 4% + 1/2	500	109% 104% Con GEL Coa 3 1/2 60	1	104 104% 104% + 1/2	110% 107% Potomac Ed 4 1/2 61 G	2 61 61 61 + 1/2	
109% 95 Toledo Ed 6s pf (6)	103 100 103 + 5	120	90% 75 Con Gas Us 6s 43 st	5	79 79 79 + 1/2	158 128 Pub Sv NJ 6s ct	25 137% 135 137 + 1/2	
1% 9% Tranx-Lux (10c)	1 1 + 1/2	2,800	94% 93 Con Gas Us 6s 43 st	55	82 81 81 + 1/2	108 104% Pub Sv Okla 6s A	7 105 104% 104% + 1/2	
3% 2 Transwest Oil	24 24 24 + 1/2	500	94% 93 Cudahy Pack 3 1/2 56	14	96 95 95 + 1/2	104% 98 Pub Sv P & L 6s 50 C	45 93% 91% 91% + 1/2	
10% 10 Tri-Cont Corp	5 5 5 + 1/2	100	107% 104 Del El PW 5 1/2 59	2	104 104 104 + 1/2	100% 83 Pub Sv P & L 4 1/2 50 D	11 90 88 88 + 1/2	
10% 4% Tunz-Cha A (1c)	23 21 21 + 1/2	300	6% 4% Det Int Br 6 1/2 52	3	41 41 41 - 1/2	99 80 QUEENS B G 5 1/2 52	10 80% 80 80 - 1/2	
3% 1% Tunz-Sol Lam	1% 1% 1% + 1/2	700	85% 74% EAST G 6s 45	12	80% 78 78 - 1/2	99 80 QUEENS B G 5 1/2 52	10 80% 80 80 - 1/2	
6% 3% UDYL CP (20c)	3% 3% 3% + 1/2	900	108% 102% Edison El Illum 3 1/2 65	12	105 104% 105% + 1/2	100% 107% SAFF H. W. 4s 79	18 100% 100% 100% + 1/2	
1% 1% Ulen & Co pf A	1% 1% 1% + 1/2	2,000	106% 103% El Pas 6s 56	2	103% 103% 103% + 1/2	104% 102% Scriptor 5 1/2 43	9 100% 100% 100% + 1/2	
19% 14 Union P & S (1)	12 11 12 + 1/2	1,200	84% 70 Elec P & L 5s 2030	65	73 73 73 + 1/2	72% 57 Scallion S 4 1/2 51	9 59 59 + 1/2	
15% 15 Union Afric P & T (10c)	9 8 9 + 1/2	2,300	120% 110% Elmira Wat 5s 56	10	112 110 112 + 1/2	98% 94 Shaw W & P 4 1/2 67 A	43 67 67 + 1/2	
16% 8% Unit Chem	9 8 9 + 1/2	1,600	105% 101% Emp Dis E 5s 52	2	102 102 102 + 1/2	97% 94 Shaw W & P 4 1/2 70 D	37 95% 95% 95% + 1/2	
2% 2% Unit Cls-Wh Stns	1% 1% 1% + 1/2	4,700	100% 106% Erie Lts 6s 67	2	104 104% 106% + 1/2	95% 75 Portland G & C 5 1/2 50	1 100% 100% 100% - 1/2	
108% 88 Unit Gas (41/2k)	88 88 88 + 1/2	200	101% 89 FED WATER 5 1/2 54	16	94 93 93 + 1/2	109% 104% Potomac Ed 5 1/2 56 E	10 108 107% 107% + 1/2	
1% 1% Unit Gas war	1% 1% 1% + 1/2	2,000	108% 100% Fla P & L 5s 54	116	102 101 102 + 1/2	104% 102% Scriptor 5 1/2 51	10 100% 100% 100% + 1/2	
39 16 Unit Int pf	20 18 20 + 1/2	200	87% 61 GATINEAU P 3 1/2 60	5	58 56 58 - 1/2	102% 97% Scallion S 4 1/2 51	9 59 59 + 1/2	
53% 52% Unit Sh M (24a)	60 57 60 + 1	1,300	100% 83 Gen Pub 6s 56	24	93 91 93 + 1/2	102% 97% Shaw W & P 4 1/2 67 A	43 67 67 + 1/2	
43% 39% Unit Sh M pf (15c)	41 39 40 + 1/2	420	101% 89 Gen Wk 5s 43 A	3	97 95 96 - 1/2	97% 94 Shaw W & P 4 1/2 70 D	43 67 67 + 1/2	
7% 7% Unit Specials	1% 1% 1% + 1/2	100	107% 100% Gen Pow 6s 67	68	104 104% 105% + 1/2	95% 87 Sher-Wyo 6s 47	1 89% 89% 89% + 1/2	
7% 7% US Foll B	1% 1% 1% + 1/2	1,400	100% 98% Gen Pow 6s 68	10	62 60 60 + 1/2	112% 102% S E P & L 6s 2025 A	99 107% 106% 107% + 1/2	
6% 1% US Lines pf	24 24 24 + 1/2	500	105% 94% Green Mt Pow 3 1/2 63	15	101 101 101 + 1/2	104% 102% South Car Pow 5s 57	13 98 96 96 + 1/2	
28% 28% US Plyw'd (60c)	22 22 22 + 1/2	500	105% 94% Green Mt Pow 3 1/2 63	1	52 52 52 + 1/2	104% 102% South Car Pow 5s 57	10 107% 106% 107% + 1/2	
25% 25% US Plyw'd cv pf (1%)	22 22 22 +							

Week Ended

TEL. BARCLAY 7-4300
DEAN WITTER & CO.
 14 WALL STREET
 NEW YORK
 MEMBERS: NEW YORK STOCK EXCHANGE - SAN FRANCISCO STOCK EXCHANGE
 SAN FRANCISCO PORTLAND HONOLULU SEATTLE LOS ANGELES

San Francisco Stock Exchange

Sales.	High.	Low.	Last.	Sales.	High.	Low.	Last.
225 Alrc. Acces.	34	31	31	53 Spring Val.	54	51	54
225 Alt Im Dies Eng.	4%	4%	4%	2,602 Sid Oh Cal 100%	55	54	55
45 Bk Cal NA 108	108	108	108	100 Texas Cono 100%	17	18	18
437 Cen. Gas. Sust.	134	126	134	72 Tide WAOpf 81%	81	81	81
900 Cala. Sust. 21%	210	210	210	3,250 Transamer. 4%	4%	4%	4%
1,200 Cal-Eng. 13	13	13	13	8,043 Transamer. 4%	4%	4%	4%
2,774 Cen. Mi. 3,000	2,80	2,80	2,80	2,000 Cal. Oil 12%	12	12	12
340 Cream Am. 41%	41	41	41	460 Univ Con O 10%	84	84	84
2,028 Cren. Zellerb. 13%	13	13	13	190 Valencia Agr 23	23	23	23
172 Cen. Gof. Ftr. 1.40	1.40	1.40	1.40	10 Vene. Oil 100%	77	77	77
100 Elec. Corp. 1.55	1.55	1.55	1.55	379 YerPortC pf 1.55	1.55	1.55	1.55
110 Emp. Capw. 81%	81	81	81	1,847 Am. Tel & T. 1.51%	149%	150%	150%
50 Emp. Capw. 15%	15	15	15	1,050 Armour III 1.51%	149%	150%	150%
175 Fire Fd. Ins. 83%	83	83	83	200 Auto. Equip. 1.51%	149%	150%	150%
242 Fost. & Kie. 1.50	1.50	1.50	1.50	50 Asbestos M. 1.51%	149%	150%	150%
337 Gen. Met. 64%	64	64	64	1,050 Aviat. Corp. 1.51%	149%	150%	150%
324 Gen. Mfrs. 40%	40%	40%	40%	1,050 Aviat. Corp. 1.51%	149%	150%	150%
300 Gold. Steel. 7%	7%	7%	7%	1,050 Aviat. Corp. 1.51%	149%	150%	150%
845 Haw. Pine. 14%	14%	14%	14%	1,050 Aviat. Corp. 1.51%	149%	150%	150%
12 Home F&M. 1.50	1.50	1.50	1.50	1,050 Aviat. Corp. 1.51%	149%	150%	150%
12 Home F&M. 1.50	1.50	1.50	1.50	1,050 Aviat. Corp. 1.51%	149%	150%	150%
218 LangUtdBak. 33	33	33	33	1,050 Aviat. Corp. 1.51%	149%	150%	150%
443 LangUtdBak. A	11%	11%	11%	1,050 Aviat. Corp. 1.51%	149%	150%	150%
512 LangUtdBak. B	5	4%	4%	1,050 Aviat. Corp. 1.51%	149%	150%	150%
112 Leslie. Salt. 35%	35%	35%	35%	1,050 Aviat. Corp. 1.51%	149%	150%	150%
200 LeTour. RG 22	22	22	22	1,050 Aviat. Corp. 1.51%	149%	150%	150%
870 Lock. Airc. 20	20	20	20	1,050 Aviat. Corp. 1.51%	149%	150%	150%
105 Lyon-Mag.B. 30	30	30	30	1,050 Aviat. Corp. 1.51%	149%	150%	150%
275 Magavox. 70	70	70	70	1,050 Aviat. Corp. 1.51%	149%	150%	150%
550 Meier & Co. 10	10	10	10	1,050 Aviat. Corp. 1.51%	149%	150%	150%
3,789 Menasco M. 3%	3%	3%	3%	1,050 Aviat. Corp. 1.51%	149%	150%	150%
400 NatlAutoPfB. 6%	6%	6%	6%	1,050 Aviat. Corp. 1.51%	149%	150%	150%
1,425 Natomas. 20%	20%	20%	20%	1,050 Aviat. Corp. 1.51%	149%	150%	150%
260 N Am Inv. 2.50	2.50	2.50	2.50	1,050 Aviat. Corp. 1.51%	149%	150%	150%
20 N Am Inv. 2.50	2.50	2.50	2.50	1,050 Aviat. Corp. 1.51%	149%	150%	150%
10% pf. 18	18	18	18	1,050 Aviat. Corp. 1.51%	149%	150%	150%
630 N Am Oil. 16	16	16	16	1,050 Aviat. Corp. 1.51%	149%	150%	150%
Cons. Cols. 16	16	16	16	1,050 Aviat. Corp. 1.51%	149%	150%	150%
35 Occid. Ins. 20	20	20	20	1,050 Aviat. Corp. 1.51%	149%	150%	150%
3,225 Pac G&E. 26%	26%	26%	26%	1,050 Aviat. Corp. 1.51%	149%	150%	150%
1,385 Pac G&E. 6%	6%	6%	6%	1,050 Aviat. Corp. 1.51%	149%	150%	150%
444 Pac G & E. 29%	29%	29%	29%	1,050 Aviat. Corp. 1.51%	149%	150%	150%
51% pf. 1 pf. 26%	26%	26%	26%	1,050 Aviat. Corp. 1.51%	149%	150%	150%
60 Pac. La. 30%	26%	26%	26%	1,050 Aviat. Corp. 1.51%	149%	150%	150%
665 Pac. S. 100%	100%	100%	100%	1,050 Aviat. Corp. 1.51%	149%	150%	150%
265 Pac P. S. 4%	4%	4%	4%	1,050 Aviat. Corp. 1.51%	149%	150%	150%
53 Pac. T&T. 118	118	118	118	1,050 Aviat. Corp. 1.51%	149%	150%	150%
50 PacT&T. pf. 144	144	144	144	1,050 Aviat. Corp. 1.51%	149%	150%	150%
130 Phil. L& D. 144	144	144	144	1,050 Aviat. Corp. 1.51%	149%	150%	150%
370 Pugsd P&T. 47	45	45	45	1,050 Aviat. Corp. 1.51%	149%	150%	150%
100 R E & R. 2.00	2.00	2.00	2.00	1,050 Aviat. Corp. 1.51%	149%	150%	150%
100 R E & R. 13	13	13	13	1,050 Aviat. Corp. 1.51%	149%	150%	150%
330 Rayonier. 16%	16	16	16	1,050 Aviat. Corp. 1.51%	149%	150%	150%
312 Rite. pf. 27	27	27	27	1,050 Aviat. Corp. 1.51%	149%	150%	150%
265 Rep. Pe. 2.05	2.00	2.00	2.00	1,050 Aviat. Corp. 1.51%	149%	150%	150%
684 Rheem. Mfg. 12%	12%	12%	12%	1,050 Aviat. Corp. 1.51%	149%	150%	150%
1,725 Richfield. 6%	6%	6%	6%	1,050 Aviat. Corp. 1.51%	149%	150%	150%
285 Ryan. Aero. 5%	5%	5%	5%	1,050 Aviat. Corp. 1.51%	149%	150%	150%
500 Shell Oil. 8	8	8	8	1,050 Aviat. Corp. 1.51%	149%	150%	150%
200 Sig. Oil&G. 22%	22%	22%	22%	1,050 Aviat. Corp. 1.51%	149%	150%	150%
1,518 SoundyPulp. 26%	25	25	25	1,050 Aviat. Corp. 1.51%	149%	150%	150%
1,816 S Pacific. 7%	7	7	7	1,050 Aviat. Corp. 1.51%	149%	150%	150%

Los Angeles

Sales.	High.	Low.	Last.	Sales.	High.	Low.	Last.
760 Alrc. Acces.	3%	3%	3%	40 Am. R & Std. 5%	5%	5%	5%
25 Band Pet.	2%	2%	2%	35 Am. R & Std. 34%	34%	34%	34%
367 Blue Bk. 14%	14%	14%	14%	358 Am. T&T. 151%	150%	150%	150%
200 Bk. Chl Oil. A	14%	14%	14%	192 Acap. Cm. 20%	19%	19%	19%
250 BkayDepSt. 15%	15%	15%	15%	75 At. T&S 20%	19%	19%	19%
95 Cent. Inves.	3%	3%	3%	35 Ati. Refin. 20%	20%	20%	20%
160 Chrysler. Cm. 58%	58	58	58	245 So Cal. Ed. 20%	23%	23%	23%
50 Conso. Oil. 3%	5%	5%	5%	100 So Cal. Ed. 20%	19%	19%	19%
606 Dist. Bond.	7%	7%	7%	50 Ati. Refin. 20%	20%	20%	20%
24 Douglas. A. 7%	7%	7%	7%	110 So Cal. Ed. 20%	20%	20%	20%
457 Elec. Prod.	8%	8%	8%	54% pf. 25%	25%	25%	25%
100 Gen. Met. 64%	64	64	64	55% pf. 25%	25%	25%	25%
863 Gen. Prod. 40%	40%	40%	40%	55% pf. 25%	25%	25%	25%
105 Gen. Prod. 39%	39%	39%	39%	55% pf. 25%	25%	25%	25%
450 Globe Grm. 8%	8%	8%	8%	55% pf. 25%	25%	25%	25%
215 Gdyr. M. 7%	7%	7%	7%	55% pf. 25%	25%	25%	25%
1,113 HanckOil. A. 27%	27	27	27	55% pf. 25%	25%	25%	25%
500 Hdey. Devol. 60	60	60	60	55% pf. 25%	25%	25%	25%
500 Hdey. Mot. 6%	6%	6%	6%	55% pf. 25%	25%	25%	25%
70 Lass. Wells. 9%	9%	9%	9%	55% pf. 25%	25%	25%	25%
2,000 Linc. Prod. 11	11	11	11	55% pf. 25%	25%	25%	25%
400 Lock. Ains.	28%	28%	28%	55% pf. 25%	25%	25%	25%
200 Los. Ang. 34%	34%	34%	34%	55% pf. 25%	25%	25%	25%
9,575 Menasco Mf. 34%	34%	34%	34%	55% pf. 25%	25%	25%	25%
3,935 McCarley. Oli. 30%	30%	30%	30%	55% pf. 25%	25%	25%	25%
126 Pac. ClayPr. 3%	3%	3%	3%	55% pf. 25%	25%	25%	25%
285 Pac. ClayPr. 10%	10%	10%	10%	55% pf. 25%	25%	25%	25%
161 Pac. E. 26%	26	26	26	55% pf. 25%	25%	25%	25%
225 Pac G & E. 6%	6%	6%	6%	55% pf. 25%	25%	25%	25%
5 Pac G & E. 29%	29%	29%	29%	55% pf. 25%	25%	25%	25%
5% pf. 1 pf. 26%	26%	26%	26%	55% pf. 25%	25%	25%	25%
50 Pac. Indem. 30%	26%	26%	26%	55% pf. 25%	25%	25%	25%
181 Pac. Light. 37%	35%	35%	35%	55% pf. 25%	25%	25%	25%
210 Pac. SustPf. 18%	18	19	19	55% pf. 25%	25%	25%	25%
1,850 Rep. Pet. 18%	18	19	19	55% pf. 25%	25%	25%	25%
1,120 Richfield. Oil. 2%	2%	2%	2%	55% pf. 25%	25%	25%	25%
100 Robts Pbk. 8%	8	8	8	55% pf. 25%	25%	25%	25%
645 Ryen. Aero. 5%	5%	5%	5%	55% pf. 25%	25%	25%	25%
500 Sust. Co. 38%	38	38	38	55% pf. 25%	25%	25%	25%
30 Sec. Co. 27	27	27	27	55% pf. 25%	25%	25%	25%
55 Shell U. 8%	8	8	8	55% pf. 25%	25%	25%	25%
500 Sig. O&G. A. 23	21	22	22	55% pf. 25%	25%	25%	25%
500 Solar Airc.	34%	34%	34%	55% pf. 25%	25%	25%	25%
575 Sont Chsra. 5%	5%	5%	5%	55% pf. 25%	25%	25%	25%
687 S Cal. Edis. 24	24	24	24	55% pf. 25%	25%	25%	25%
271 S Cal. Edis. 6%	6%	6%	6%	55% pf. 25%	25%	25%	25%
476 So. Cal. Edis. 28	28	28	28	55% pf. 25%	25%	25%	25%
140 So. Cal. Gas. 25%	25%	25%	25%	55% pf. 25%	25%	25%	25%
6% pf. A. 30%	30%	30%	30%	55% pf. 25%	25%	25%	25%
500 So. Cal. Gas. 7							

Charlie and the Banker

(Continued from Page 820)

taxes, both old-age and ordinary, go toward fortifying the insurer, or at least toward reducing its lack of fortification, against the payment of the pension promises, and that any tax reduction could not do other than work in the opposite direction. The 1937-39 taxes did not succeed in fortifying the insurer. They did, however, work in that direction, however feebly. They did not accomplish their purpose because they were insufficient in amount and because the budget was not in balance. Only the fact of the failure to fortify—and not the reasons for it—was observed in the criticisms. Had the reasons been observed, it seems probable that remedy would have been sought in the fiscal area. The 45,000,000 registrants might reasonably have demanded such an effort.

Senator Vandenberg said, in the Senate Jan. 15, 1939, that the reserve program of the 1936 act had not been proposed (by the Administration) for social security purposes, but for what he called an "ulterior reason," namely, "to retire a large part of the public debt." It seems clear at the least that those who speak of the government as "spendthrift"—the case for that view being largely that the government has lately spent about \$20 billions more than its income—may not reasonably complain at any efforts to "retire a large part of the public debt," even to a reserve account to support a new liability which otherwise would be unsupported. Of course it seems wholly probable that Senator Vandenberg might have been less opposed to the accumulation of a large fund, and the said retirement of debt to that fund, had Secretary Morgenthau confessed, for the Treasury, that its receipts of moneys as insurer had amounted to only about one-fourth of its accumulation of liability to the insured.

Ultimate Cost of a Temporary Saving

The single 1939 argument for tax reduction which does not seem to fall apart at the moment the Treasury is thought of as the insurer (and is required to make a consolidated debt statement) was the plea that the old-age taxes were oppressive. That argument, however, was a complaint against the cost of old-age security. If valid, it suggested retreat on the old-age promise front. But the amendments which emerged, by increasing the act's favoring of the near-old registrants while still referring the near-old of the excluded occupations to the needs-test of Title I, and by assuming that the Treasury itself will come to the rescue of the contributory system for one-third of its cost, call now for extending the coverage of the act, while by abandoning the preparation plan of the 1935 statute for a little-or-no preparation plan they have made such extensions even more hazardous than before. To the extent, therefore, that the 1939 amendments were produced in the practical area of tax oppression and business discouragement, they have produced a necessity to advance, in order to cure increased inequities, on financial evidence which suggested retreat.

As the matter stands, what have the registrants gained from the amendments? The older registrants gained in the amounts of their promised largely "unearned" pensions, and the younger registrants lost in the amounts of their *earned* pensions. The younger registrants lost also in the abandonment of the preparation principle. All registrants have gained a tax saving for three years, at the expense, however, of tax increases in the future, for the younger registrants. And for every dollar the registrants presently save, their insurer is deprived of \$2 toward fortification, because of the equal reduction in the em-

ployer's tax. The old-age moneys are still being spent by the government. The insurer still needs fortification against its promises. The substance of the 1937-39 complaints accordingly remains unanswered, and a basis for even more important complaints appear to have been laid.

Charlie's Uncle Sam

As I said, Charlie thinks that he got a raise. Thinking of the circumstances I have mentioned I am not sure that he is mistaken. I am sure that unless it shall be realized that old-age security must be paid for some time by somebody, and that meanwhile the financial condition of the insurer must not be permitted to deteriorate faster in other governmental enterprises (however necessary) than specific old-age preparation shall improve it, Charlie's chances of receiving an adequate pension (or his *promised* pension, paid in undepreciated dollars) thirty-five years hence would be pretty slim. He may be better off to have his extra 12 cents a week for thirty-five years, relying for his old age on the State's duty to care for its dependent aged. I doubt that he would mind the needs-test much. His difficulty in that regard, however, is that Title I and II have the same promisor.

The cases of Charlie and the banker do

not seem accidental but instead seem to be natural results of the special applications of the theory of presumptive need which the act undertook. That theory, however, must look for its validity to a purpose to improve the old-age circumstances of the low-wage (and low-income) groups of all occupations. *The act has undertaken, instead, to spread the beneficence of the said theory over three overlapping variables, age, wage and occupation.* It was pursuant to such arbitrary determinations that the young low-wage gardener was expelled and the near-old high-wage banker was admitted to preferential treatment. Such results as forced by such theory, threaten the basic purpose of the act.

It is improvident to be driven toward extending the act on evidence of discrimination, accounting error and fiscal failure. It was wholly improvident to amend the act in 1939 without reference to the financial status of the insurer. A re-examination of the entire program seems indicated. The heart of the matter is the theory of presumptive need—its special applications and denials and their reference to the general welfare—and the means of *presently* supporting whatever decisions may emerge. Charlie bears other risks than old-age insecurity—notably those of ill health, disability and long-term unemployment—and these are entitled to consideration also, and to correlation with the old-age program. The taxes of Charlie's unexpelled, presumably

needy, age-wage group are not equipping the insurer to pay the pensions of its members (even the principle of such preparation having been abandoned in 1939), but are now being spent largely for unearned pensions, to be paid without relation to need. They are to be paid, moreover, by an *insurer* (the Treasury) which itself is *needy*, if only in respect to its present failure to prepare against the old-age disbursements of the future, and its neglect of other social services, including even old-age assistance to the present-old on proof of need.

Abstracts

(Continued from Page 833)

even when killed at one session they spring to life at the next. Besides, the ominous fact remains that the Department of Agriculture has expressed its approval even though the measure would destroy all operative features of the FCA. The FCA is almost a quarter of a century old. Its twelve regional banks operating with pooled resources care for long-term agricultural requirements. The Jones bill considers a new kind of credit, which has been described as one "in which personal responsibility is denied, loans are made to everybody, and the government pays the loss whenever the borrower wishes to quit paying." It would give the farmer what is in reality not a loan but a subsidy thereby driving the private lender from the field.

* * *

Number of Motor Vehicles in use in the United States in 1939, (Domestic Commerce, May 20, 1940). The number of motor vehicles in the United States was increased by more than a million in 1939, and at the end of the year a total of 31,009,870 motor vehicles was registered. This included 30,615,087 private and commercial cars, and 121,270 owned by the Federal Government, plus 273,513 owned by State, county and municipal governments. All States but Nebraska reported registration increases in 1939. California had more motors per capita than any other State, an average of one vehicle for each 2.4 persons. Fewest per capita were recorded in Alabama, where there was one vehicle for each 9.1 persons. The total United States registration showed one car for each 4.3 persons and fees amounting to \$353,533,000.

* * *

Domicile—Its Effect on Taxes and Estates (Central Hanover Bank and Trust Company). Though only one Federal tax is collected on the transfer of property under your will, whether one or more State taxes must be paid "hinges directly upon the question of your *domicile*." Experience has proven that a person cannot settle the question of legal residence by his own declaration. The courts may hold that this declaration was inconclusive and that the actual residence was elsewhere. Domicile is the legal conception of home; uncertainty may subject property to the dangers of duplicate taxation. Intangible property held in some other State than that which is "your *domicile*" may be subjected to double taxation. It is prudent to determine one's legal *domicile* and avoid duplicate State taxes.

* * *

Small Business Wants Capital, by William Leavitt Stoddard (Harvard Business Review, Spring, 1940). In June, 1939 the Mead bill proposed a scheme of government insurance for loans by banks to small business. In November, 1939, Senator Mead presented another bill proposing a Federal Industrial Loan Corporation within the framework of the Federal Reserve System to perform banking operations for small business. The introduction of this bill is "a challenge to privately controlled capital." Its enactment would "ring the vespers of financial capitalism."

Financial News of the Week

(Continued from Page 829)

of its final plan for reorganization and to proceed at once with recapitalization.

Oral arguments in reorganization proceedings will be held before the I. C. C. on June 27.

Pennsylvania (1-11-40)—Company announced that interest payable in sterling on two issues of consolidated mortgage bonds will be paid at its New York and Philadelphia offices as well as at Midland Bank, Ltd., London, England. English bank heretofore was sole paying agent.

St. Louis Southwestern (1-4-39)—Federal Judge Davis, St. Louis, has set June 14 as date for hearing petition of Bankers Trust Company, New York, which as trustee for the road's second mortgage, is seeking court authorization to pay \$1,200,000 interest on second mortgage bond 4 per cent certificates for the period Jan. 1, 1936, to Dec. 31, 1938.

UTILITIES

Associated Gas and Electric (5-23-40)—Rochester Gas and Electric, an operating unit in this system, will not increase its authorized common stock from \$25,000 to 1,250,000 shares, the stockholders having voted down that proposal.

Carolina Power and Light—SEC has approved an application by company for exemption from Holding Company Act of the private sale to insurance companies of \$46,000,000 3 1/2 per cent first mortgage bonds of 1965, but substantially reduced some of the fees involved.

Proceeds of new bonds will be used to pay and discharge \$7,500,000 of underlying and assumed first mortgage gold bonds, 5 per cent, of Yadkin River Power Company, and to discharge \$38,500,000 of Carolina's first and refunding mortgage gold bonds, 5 per cent series of 1956.

Commonwealth and Southern (6-6-40)—A suit by minority bondholders of Tennessee Electric Power Company, subsidiary, seeking to compel trustees of the parent company to pay 105 for Tennessee bonds instead of the 100 offered when the company's properties were sold to TVA, has been dismissed in Supreme Court, New York.

In his decision Justice Collins held that the plaintiffs, with other bondholders, were the principal beneficiaries of the sale, being saved the risk of losing everything had the defendants decided to compete with the government.

Federal Water Service (4-4-40)—SEC has taken under advisement application of company to purchase from time to time for cash in the open market \$500,000 principal amount of its 5 1/2 per cent debentures, due May 1, 1984.

Interborough Rapid Transit (6-6-40)—Federal Judge Patterson, New York, handed down a decision in which he reduced by more than \$1,000,000 the requests for counsel fees, committee compensations totaling \$3,319,225 in the I. R. T.—Manhattan Unionization plan.

Jersey Central Power and Light (5-30-40)—New Jersey Public Utility Commission announced that because of the war it will defer a decision in its investigation of electric rates of company. Company had agreed

to a rate reduction of \$472,000, effective July 1, 1940.

Commission's memorandum said: "Any conclusion now reached as to the value of property, operating expenses and rate of return can have no assured stability for any reasonable period in the future."

North American Company (1-11-40)—SEC has agreed to delay integration hearing on North American Company to June 21, 1940.

MISCELLANEOUS

Greyhound Corporation (6-6-40)—Company has made an offer to holders of record of ten shares or less of 5 1/2 per cent preference stock to purchase their holdings at \$11 a share and accrued dividends.

International Mercantile Marine (1-25-40)—J. M. Franklin, president, said loan of \$868,000 which United States Lines Company, subsidiary, incurred in quarter ended March 31, 1940, was reduced to approximately \$240,000 by the end of May. April's profit was about \$300,000 and earnings in May were slightly larger. R. M. Hicks, treasurer of I. M. M., said it was estimated United States Lines Company would show a profit for the six months ended June 30, 1940.

International Telephone and Telegraph (5-30-40)—Manufacturing plants in Oslo and Copenhagen are being operated by German forces for the production of communication equipment and precision instruments. In all, it was stated, ten plants in belligerent nations now are under government control.

Kresge (4-15-38)—Report of SEC on security transactions disclosed that S. S. Kresge, chairman of company, made a gift of 300,000 shares of Kresge common on April 2, 1940. It was understood that the beneficiary of this stock was Kresge Foundation. Mr. Kresge also reported the sale of 2,600 shares in the month, retaining 462,634 shares.

Pan American Airways (5-23-40)—Company announced that it will operate three regular schedules a week between United States and Europe, effective June 18. The addition of a third schedule will enable company to double present passenger capacity available through a more equal distribution of mail cargoes. CAA has authorized Pacific Alaska Airways, Inc., a subsidiary, to establish an air route between Seattle and Juneau.

Transcontinental and Western Air (5-23-40)—Company has added four new flights to the Eastern division of its coast-to-coast system. New flights will add 566,800 seat miles.

United Air Lines Transport (5-30-40)—Revenue passenger miles flown by planes of this company in May totaled approximately 20,870,700, a new monthly record, compared with 16,106,798 in April and 12,669,300 in May, 1939. For the first five months of 1940 the company's traffic ran 61 per cent ahead of the corresponding 1939 period.

Flying schedules have been increased to provide 35 per cent more seats than last summer. Thirteen flights daily will be made on the New York-Cleveland-Chicago division. West from Chicago there will be eight flights daily, including four with sleeper service.

OPEN MARKET FOR UNLISTED SECURITIES

These quotations are for bankers, brokers and dealers and are accepted for publication as actual markets. The number at the left of a quotation identifies it with the name of the firm in the index making the market. Prices are as of close of business on Monday.

Industrial Stocks

Key.	Bid. Offer.	Key.	Bid. Offer.
Alabama Mills	1/4 24	Good Humor	4% 5%
American Arch	27 30	Giddings & Lewis Mch. Tl.	28 29%
Am Cable & Radio	1% 2%	Graton & Knight	3% 5%
Am Cynamid 5% cv pf	10% 11%	Great Lakes S. & I.	34 37
Am Cyanamide 5% cv pf	10% 11%	Great Northern Paper	35 38
Am Dist 5% cum pf	10% 11%	Harrisburg Steel	914 10%
Amer Enka	40% 43%	Hearst Consol Pub pf	4% 4%
American Maize	182 19%	Interstate Bak	1 1%
American Mfg pf	64 72	Interstate Bak pf	18% 22%
Argo Oil	3/4 4	King Seeley	6% 7%
Arlingtn Mfg	1/4 24	Jons. & Naumburg	1/4 24
Armstrong Rubber	37 42%	Lawrence Portland Cem't	18 12%
Art Metal Construction	10% 12%	Long-Bell Lum. conv pf	43 45%
Autocar Co	5/2 7	Mailor (P. R.) & Co.	9% 11%
Botany Worsted M A	1/4 21%	Marshall Rockwell	43% 45%
Botany Worsted \$1.25 pf	24 34%	Merck & Co	60 63
Brown & Sharpe Mfg Co. 157	162	Merck & Co 6% pf	115
Buckeye Steel Cast	13 15	Muskegon Piston Ring	12 13%
Chilton Co	24 34	National Casket	8 13
City & Suburban Homes	54 64	National Casket pf	90
Coca-Cola Bottling N Y	62 67	National Paper & Type	3/4 4%
Compton Mfg	84 10%	Nati Pap & Type 5% pf	21 24%
Columbia Bak S. & I. cum pf	18 21	Nunn-Bush Shoe	10 11
Compo Shoe Mach conv	cum pf	Nunn-Bush Sh 6% pf ww	93 97
Cons Aircraft \$3 cv pf	60 63%	Ohio Match	9 10%
Crowell Collier	184 20%	Pan American Match	11% 13%
Cuban Am Manganese Cp.	64 72	Pepsi-Cola Co	22 23%
Cuneo Press pf	107 111	Perry Heat & Power	24 26%
		Pilgrim Explor	1% 2%
		Polaroid Corp	25 28
		Poikil Corp	11% 13%
		Postal Tel System	4% pf w 1
		Prudential	3% 4%
		Remington Arms	4% 5%
		Safety Car H & L	37% 40%
		Savannah Sugar	26% 29%
		Shingando Rayon	10% 10%
		Stromberg Carlson Tel.	3 5
		Tampax, Inc.	15% 16%
		Taylor Wharton Ir & Stl.	5% 6%
		Tenn Products	1% 2%
		Thomson Aut Arms Corp	11% 12%
		Time Inc	118 122
		Tokeham O Tank & Pump	11% 12%
		Trico Products	29 31%
		Triumph Explosives	31 4%
		United Artists Theatre	5% 1%
		United Dye Works	1% 3%
		United Dye Wks pf	1% 2%
		West Coast Gas	17% 19%
		Welch Grape Juice pf	100%
		West Indies Sugar	5% 6%
		West Michigan Steel	7% 8%
		Western Dairies vtc	1% 2%
		Western Dairies cum pf	26 30
		Wickwire Spencer Stl.	3% 4%
		Wilcox & Gibbs	7 8%
		Worcester Gal.	42
		York Ice Machinery	1% 2%
		York Ice Machinery pf	18 21%
		General Machinery Corp.	



Bank Stocks

Boston:	
First National	30% 42%
Merchants National	370 390
National Rockland	60 70
National Shawmut	20% 22%
Second National	135 145
State Street Trust	300
U S Trust	9 11
U S Trust pf	13 15
Webster & Atlas	41 45
Chicago:	
Am National Bank Tr.	190 205
Cont'l Ill Bk & Tr.	68% 68%
First National	197 203
Harris Trust & Sav.	284 295
Northern Trust	475 495
Milwaukee:	
Marine Nat. Exch. Bank	38 42
Marshall & Iahey Bank	19 22
New Haven:	
First Nat. B. T.	40 44
N Haw B N B A.	68 72
Second Nat. Bank	73 78
U & N H Tr Co.	100 110
New York City:	
Bank of Manhattan Co.	13 14%
Bank of Yorktown	42
Bank of N Y Trust	310 330
Baileys Trust	45% 47%
Brooklyn Trust	20 22
Central Hanover B. & T.	77 80
Chase National	25 28%
Chemical Bank & Trust	39 41
Clinton Trust	30 39
Commercial National	161 168
Continental Trust	11 12%
Corn Exchange BK Tr.	404 41%
Empire Trust Co	5/4 9%
First National	1555 1595
Fifth Avenue National	600 710
Gilson Trust	205 220
Great Am. Trust	242 247
Irving Trust	9 10
Kings County Trust	1510 1560
Lawyers Trust	264 29%
Manufacturers	278 29%
Manufacturers cum pf	50% 52%
Mercantile	110 12%
National City	38 43
National Safety	10% 12%
New York Trust	87% 90%
Penn Exchange	9% 11%
Public National	24% 25%
Sterling National	23 25
Title Guarantee	1% 2%
Trade	11 13
Underwriters Trust	80 90
United States Trust	1490 1540
St. Louis:	
Boatmen's National	29% 32
Fraternal National	34% 38%
Industrial Bank & Tr.	92 98%
Mercantile Com Bk & Tr.	104 110
Mercantile Com Nat. Bk & Tr.	3 3%
Mississippi Valley Trust	24 25%
Mutual Bank & Tr.	38 45
St. Louis Union Trust	46 47%
Tower Grove Bank & Tr.	30 39
United Bank & Tr.	75 80
San Francisco:	
Bank of America N T S.	30% 32%

KEY AND INDEX

The number at the left of the firm name identifies it with the corresponding number in the listings.

OW—Offerings Wanted. BW—Bids Wanted.

Stifel Nicolaus & Co., Inc., 105 W. Adams St., Chicago, Ill. State 5770

65—Loewi & Co., 225 E. Mason St., Milwaukee. Ph. Daly 5392. See Above.

Public Utility Stocks

Key.	Bid. Offer.	Key.	Bid. Offer.	Key.	Bid. Offer.
Alabama Power pf	93% 96	Mountain St Tel & Tel.	130		
Am Dist Tel of N J.	80% 87	Nassau & Suffolk 7% pf.	18% 21		
Am Dist Tel of N J pf	111 114%	New Eng P S Pr in	36% 51		
Arkansas Power & Lt pf	87 89%	New Eng P S Pr in	37% 53		
Atlanta City Elec & Tel pf	118% 124%	New Orleans Pub Serv	96% 100%		
Bell Tel of Canada	90 100	New Orleans Pub Serv	96% 100%		
Bell Tel of Pa pf	114 118%	N Y Pwr & Lt pf	99 101%		
Birmingham Elec 7% pf	74% 77	N Y Pwr & Lt pf	105 107%		
Birmingham Gas & Elec pf	39% 41%	N Y Mutual Tel & Tel	15		
Carolina Pw & Lt pf	97% 99%	Northwest Water & El pf	49%		
Central Elec Tel 6% cum pf	38 41	North'n States Pwr 7% pf	73% 75%		
Central Maine Pwr pf	89% 92	Ohio Pub Serv 6% pf.	95% 98%		
Central Pw & Lt pf	91% 95%	Ohio Pub Serv 6% pf.	95% 98%		
Central Pw & Lt pf	98 100%	Oklahoma G & E pf.	105% 108%		
Central Pw & Lt pf	6% 9%	Pac & Atlantic U S Tel.	12 16		
Consol E & G pf	40% 50	Pac Pwr & Lt pf	73% 76%		
Cuban Tel 6% pf	40 50	Panhandle E P & L	28% 31%		
Derby Gas & Elec pf	43% 46	Peninsular Tel & Tel	28 32%		
Eliz'town Con G.	210 218	Pensinular Tel & Tel pf	28 32%		
Eliz'town Water	110 115	Penon Corp & Lt pf	100 105		
Eliz'town Water	41	Philco Corp cum pf	85% 88%		
Franklin Tel & Tel	20	Phila Co cum pf	85% 88%		
Inter Ocean Tel & Tel	72	Plainfield Union Water	86 91		
Interstate Nat Gas	20% 23%	Queensboro G & E 6% pf	18% 20%		
Jersey Central Pw & Lt	7% 10%	Rochester Elec Tel pf	110 117		
Kings Co Lighting 7% pf	75 79%	South Atlantic Tel.	15 17		
Long Island Lig 7% pf	23 27%	St. Louis Atlantic Tel.	15 17		
Mass & Elec Assoc pf	204 218	St. Paul Gas & Elec pf	97% 100%		
Mass Util Assoc conv pf	100 107	Utah Pwr & Lt pf	53% 55%		
Miss P & L pf	72% 75%	West Texas Ut pf	92% 94%		
Mo Kan Pipe Line	31 4%	Wis E P 4% pf	94 96%		
Mountain States Pwr pf	40 42%				

Municipal Bonds

Key.	Bid. Offer.
ARKANSAS:	63 Little Rock Water Rev 4s, 1950-65
MICHIGAN:	63 Detroit non-callable 5 1/2%, 1943-47
MISSOURI:	63 Atchison Co Bridge Rev 4 1/2%, 1948, 1958

Canadian Bonds

Principal and interest payable in United States funds:
Alberta 4 1/2%, 1956
Alberta 5%, 1943
Brit Columbia 4 1/2%, 1943
Brit Columbia 5%, 1954
Manitoba 4%, 1957
New Brunswick 1960
Nova Scotia 4 1/2%, 1952
Ontario 4%, 1960
Ontario 4 1/2%, 1951
Ontario 5%, 1960
Quebec 4%, 1958
Quebec 4 1/2%, 1956
Saskatchewan 4 1/2%, 1960
Saskatchewan 5%, 1959

*Interest payment reduced one-half, effective June 1, 1936.

Canadian Bank Stocks

Canadian	75	90
Commerce	90	100
Dominion	112	124
Imperial	116	130
Montreal	120	130
Nova Scotia	175	185
Provincial	65	80
Royal	95	105
Toronto	135	150

Industrial Bonds

†Akron C & Y gen 5 1/2% 45 35%	41
†Amer Writing Pap inv inc	50%
68, 1961	50%
Balt & Oh sec notes, 44 44 44% 46%	46%
†Brown 5 1/2%, 1940, A. 32% 35%	35%
Carr Corp 5 1/2%, 1940, A. 32% 35%	35%
Cuba R R & E 5% '50	28%
Deep Rock Oil 7s, 1937	44
Denver & Salt L R. 6% '60	55
Haytian Corp conv 4s, '59 80	41%
Haytian Corp deb 5s, '59 80	15
Henn & Ont Pw 1st 6s, '45 20%	20%
INCO Or. No. 50 2032	20%
Old Bear Coal 1st 6s, '45 31%	31%
Scovill Mfg 5 1/2%, 1945, 105%	105%
Vicks Bge 1st 4s-6s, 1965	69
Woodward Iron 2d 5s, '62 105%	105%

Public Utility Bonds

3 1940